



Epicor Success Story

Tara Materials Inc.

Company Facts

- ▶ Location: Atlanta, Georgia, United States
- ▶ Industry: Manufacturer of art materials and accessories
- ▶ Web site: www.taramaterials.com

Success Highlights

Challenges

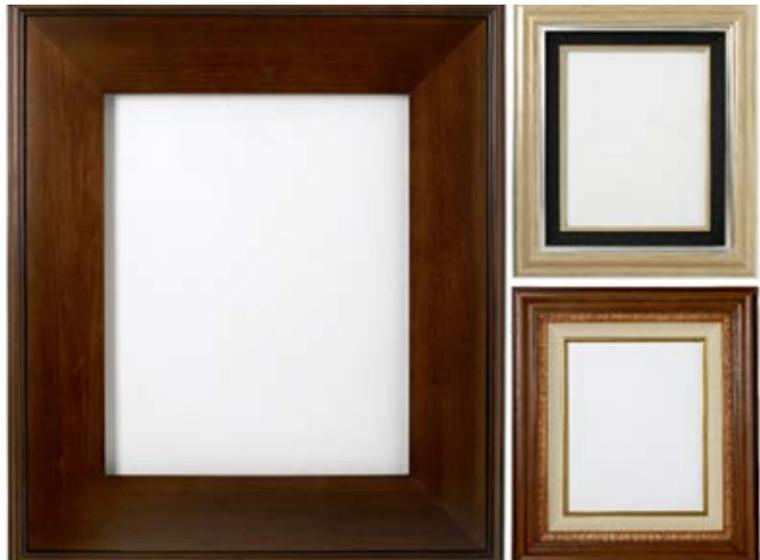
- ▶ Data integration and accessibility across the enterprise
- ▶ Overhead and general cost reduction
- ▶ Logistical and production planning agility
- ▶ Comprehensive solution with minimal maintenance

Solution

- ▶ Epicor CMS

Benefits

- ▶ 25 percent decrease in finished goods inventory
- ▶ 40 percent reduction in employee overhead
- ▶ 99.5 percent inventory accuracy
- ▶ 300 percent improvement in on-time shipping performance
- ▶ 50 percent increase in worker productivity
- ▶ Ability to manage three locations with zero full-time IT staff



Agility is more than a buzzword for Jim Pluth, vice president of manufacturing for Tara Materials. In fact, he attributes his company's very survival in a high-velocity business environment to an ability to make rapid adjustments in logistical and production planning. And, to Pluth, such agility is a function of data reliability and real-time accessibility across the entire organization.

Tara Materials is an Atlanta-based manufacturer of artist materials and accessories—most notably art canvases and picture frames—for arts and crafts specialty stores, chains and suppliers worldwide. The company owns a manufacturing and distribution facility in Atlanta, a distribution center in San Diego and an assembly facility in Tijuana, Mexico. Tara Materials' customers demand rapid order fulfillment—sometimes in as little as five days. As a result, the company carries significant finished goods and work in progress (WIP) inventory. These customers also exert relentless pressure for cost reductions.



Epicor CMS delivers out-of-the-box functionality and total integration

“We have 3,500 finished goods SKUs and need real-time data on inventory levels at each physical location in order to make daily decisions on inventory movement, production planning and scheduling,” says Pluth. “With our previous ERP solution we didn’t have access to current inventory data or incoming orders, so we couldn’t make those decisions. Our locations weren’t integrated, either. Our factory in Mexico worked off a system that didn’t talk to San Diego, which didn’t interface with the system in Atlanta, so none of our data matched. Our locations were operating almost as separate businesses. We needed a single solution to pull everything together.”

At the time, Tara Materials was also operating without critical enterprise resource planning (ERP) functionality, such as production planning and costing. And because its existing system was sold on a module-by-module basis, adding that functionality and necessary customization would be costly.

Consequently, as his team began evaluating replacement ERP solutions, one of Pluth’s key requirements was comprehensive and fully-integrated, out-of-the-box functionality, requiring minimal customization. “I wanted a solution we could keep ‘vanilla,’ so we didn’t have to spend a fortune on staff to maintain it.”

Tara Materials selected Epicor CMS. “With Epicor CMS, we got everything and it all worked together,” Pluth says. “We had some customization done at the beginning, but Epicor is unique in that they then provide that customization to all their customers and support it, meaning that we didn’t need to do any maintenance on it from that time forward.”

Epicor CMS provides foundation for critical decisions

Pluth credits Epicor CMS as being the cornerstone of his company’s decision-making processes in areas ranging from inventory and production to shipping management for all three company-owned facilities.

“We leverage a lot of technology in order to make our company nimble, but the key principle is that everything is based on the data available to us. We connect each plant and all of our people to Epicor CMS via VPN, so the starting point of everything we do is entering data into the solution,” he says. “Our incoming orders show up immediately, and they’re visible to our manufacturing people in Tijuana. Our inventory levels are very accurate, so when product ships out of our two distribution centers everyone can see the real-time inventory changes. Accounting, costing, customer service...everything is done within Epicor CMS.”

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The decision-making capabilities driven by Epicor CMS also provide Tara Materials with a degree of logistical agility that was previously inaccessible; an agility that has produced significant labor cost reductions.

“It takes lot of manual labor to assemble our product, and with the data available to us through Epicor CMS we’re now able to reduce costs by balancing manufacturing and assembly between our company-owned facilities and a stable of contract factories in China,” says Pluth. “We’re able to analyze factors, such as labor costs, transportation costs, inventory levels and shipping schedules in making decisions about outsourcing certain assembly operations to China. For instance, our canvas-coating process is proprietary and highly technical, so it is done in Atlanta. But we’ll then ship the smaller coated canvases to China for assembly, because we can get so many in a container. We’ll ship the bigger canvases to Tijuana. In both cases, inexpensive labor more than offsets the freight component.”

Getting lean with Epicor

Beyond being innovative logistically, Pluth believes that being lean is the only way to make money in his company’s business environment. He points out that Tara Materials operated with four distinct customer service departments with 20 customer service representatives (CSRs), two accounting departments and a two-man IT staff prior to Epicor CMS.

“Now we run customer service with five CSRs, we’ve downsized to one accounting department and our IT staff is me, when-needed. We’ve reduced our monthly overhead by 40 percent because of the impact Epicor CMS has on managing our business and we’re leaner on inventory, with costs down 25 percent and accuracy at 99.5 percent.” Pluth also indicates that Tara Materials improved its on-time delivery performance from the 30 percent range to over 90 percent.

While giving these statistics their due, Pluth summarizes the impact of Epicor CMS in even more stark terms. “I truly believe we might not even be in business if we hadn’t made this investment in Epicor; it’s that critical to our operation.”

About Epicor

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