

Cox Industries, Inc.

Wood Treater Uses Lumbertrack and Business Process Innovation to Enhance Partnerships and Profitability



Company Facts

Overview

- ▶ Location—Orangeburg, South Carolina
- ▶ Industry—Wood products manufacturing
- ▶ Specialty—Treated wood products
- ▶ Facilities—12 treating plants, 10 reloads, 2 offices
- ▶ Website—www.koppersuip.com



Success Highlights

Challenges

- ▶ Establish a technology platform to support strategic initiatives for process improvement, growth, higher profitability, and competitive advantage

Solution

- ▶ Epicor® LumberTrack™

Benefits

- ▶ Supporting three times the number of customers without significant additional headcount
- ▶ 35% increase in revenue/employee
- ▶ Dramatically reduced working capital requirements due to tighter inventory control and 50% reduction in inventory despite double the business
- ▶ Streamlined processes, including 50% faster month-end closing

Cox Industries Inc. is a leading manufacturer and distributor of treated outdoor wood products for residential, commercial, industrial and utility markets—from decks, fences and framing to utility poles, docks and retaining walls.

“Our customers expect us to live up to the promises we make to deliver well-made, quality pieces of material on time and in full. But if you’re a manufacturer of a commodity product, you need other compelling reasons for your customers to buy from you,” said Matt Yaun, who as chief administrative officer of Cox Industries Inc. is responsible for corporate strategies including IT, Finance, and Human Resources.

“We use technology and business process innovation to enhance our customer and supply chain partnerships,” said Yaun. “And Epicor LumberTrack is essentially the foundation of our entire technology platform.”

Platform for corporate systems integration

Thinking back to their decision to implement Epicor LumberTrack, Yaun recalled, “We envisioned how we wanted technology to support our different strategic initiatives, and we realized we couldn’t build on the homegrown green screen system we had.”

Reduced working capital due to tight control

“We operate twice the business on half the inventory. The impact on working capital has been quite dramatic,” Yaun replied when asked how LumberTrack has impacted the company. “We used inventory to fix everything, and that can get really expensive. A good technology platform providing real-time data was key to our strategic initiatives to improve our cash conversion cycle and reduce working capital.”

“On LumberTrack we connected all our locations so that sales and production employees have the real-time information they need,” Yaun said. “We produce to cover our open orders, and we make adjustments daily, taking inventories up or down in relation to real-time sales demand. It has really tightened inventory control.”

Streamlined processes improve productivity

“LumberTrack helps us focus on transactional excellence at the front end,” said Yaun, explaining how a disciplined approach has improved multiple functions in the company. “The sales people have really accurate cost and pricing information, access to inventory, WIP information and special order tracking. There is a lot of value in knowing where you are at any given time, and what to expect.”

“And if you do transactions right on the front end, the back end is really pretty straight forward,” said

Yaun. “We don’t have to figure out and fix everything at month end, so the time it takes to close our month-end books is down 50% from eight days to four days.”

Growth through customer and plant acquisition

Cox Industries has undergone a period of strategic consolidation through optimized plant utilization in their core residential market, as well as strategic growth through increased market share and plant acquisition to expand and diversify their business into new markets. “In our core business, we serve about three times as many customers at our existing facilities as we did four years ago, and LumberTrack has helped enable us to handle the additional volume without a lot of additional headcount,” said Yaun.

“We also did one large and three smaller acquisitions, so we operate 12 plants now. Each plant operates as a cost center, and we consolidate sales across two primary business units,” Yaun explained. “With LumberTrack, we were able to integrate

the new plants quickly, literally within a couple of weeks.”

Employee productivity metrics have improved dramatically. The company’s workforce now supports about \$550,000 per employee, up almost 35% from just three years ago.

Competitive advantage from acting on KPIs

“LumberTrack lets us watch our key metrics. We have dozens of dashboards for operations, sales, financials, customer management, employee lifetime learning—you name it—score card type metrics,” Yaun said. “We watch them on a daily basis, and when those metrics aren’t in the green, we take actions that make those metrics move.”

“Our tag line is: Better Ideas, Better Wood,” said Yaun. “Every day offers a chance to act on a better idea. That’s why we think everybody ought to buy from us.”

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software designed to fit the precise needs of our manufacturing, distribution, retail, and service industry customers. More than 45 years of experience with our customers’ unique business processes and operational requirements are built into every solution—in the cloud or on premises. With this deep understanding of your industry, Epicor solutions dramatically improve performance and profitability while easing complexity so you can focus on growth. For more information, [connect with Epicor](#) or visit www.epicor.com.



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