



OptiProERP | **SAP** Business One
MANUFACTURING AND DISTRIBUTION

Water Heater Manufacturer Streamlines Operations, Improves Data Visibility with OptiProERP

Heat-flo eliminates manual processes, gains automated workflows as part of continuous improvement

Customer Success Story: **Heat-flo Inc.**

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Joe Pichette

Inventory Control Manager
Heat-flo Inc.

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OVERVIEW/INTRO

Water heater maker Heat-flo Inc. relied on spreadsheets to track its manufacturing processes. As the company grew, transferring information into QuickBooks and maintaining data accuracy became difficult. Heat-flo selected OptiProERP with SAP Business One, which has eliminated double entries, improved data visibility, and automated workflows, saving time and making manufacturing more efficient.

KEY RESULTS

- Gained a single, end-to-end manufacturing system with robust functionality and integrated financials
- Connected departments and automated manufacturing and accounting processes, streamlining operations
- Saved four hours a week, allowing the inventory control manager to concentrate on higher-level tasks
- Improved inventory visibility, reducing inventory count times while boosting accuracy
- Increased visibility into operational data it didn't have previously, improving decision-making
- Replaced QuickBooks to get a complete financial and manufacturing system in one

CHALLENGES

Heat-flo Inc. has grown from a small startup into a strong player in the stainless-steel water heating business by offering high-quality, easy-to-install, and totally recyclable water heaters for residential, commercial, and industrial customers.

COMPANY	Heat-flo, Inc.
HEADQUARTERS	Uxbridge, MA.
PRODUCTS	OptiProERP with SAP Business

The 26-year-old company designs and manufactures stainless-steel indirect water heaters, buffer tanks, storage tanks, electric water heaters, and multi-energy tanks.

Known for its commitment to excellence and continuous improvement, Heat-flo has made its products easy-to-install and easy-to-recycle and adaptable to multi-energy/solar and electric based hot water heating systems, hydronic, and radiant heating applications. The Heat-flo team makes its water heaters and other products in their facility located in Uxbridge, MA.

When Joe Pichette was promoted to inventory control manager, he found the company didn't have tools in place for purchasing, forecasting, and capturing the data he needed to do his job effectively.

Heat-flo used QuickBooks for simple day-to-day transactions, but “for really gathering information and making it usable for insights, it was difficult to use,” he says. “For planning production, it was near to impossible.”

Pichette built a database and spreadsheet system to track raw materials, work-in-progress, and finished products. “We made a system that worked to support QuickBooks and our day-to-day needs, basically using spreadsheets to plan and coordinate production and our inventory across the shop.”

The system worked extremely well and was robust enough to help the company achieve certification to the ISO 9001:2015 standards of organization. However, with continued growth, Pichette realized the system was too reliant on manual efforts.

“If we wanted to continue to enhance our system, it was basically on me to make that happen,” he says. “And as much as I enjoyed it, I had other day-to-day responsibilities. In the company's best interest, I thought it was a good idea to start exploring ERP systems - something that's more formal, tried, tested, and true, and supported by a team outside of our organization.”

While Pichette loved gathering, manipulating, and making data useful, he just didn't have the time to do it as the company grew. Other team members also wasted much time manually entering data into QuickBooks.

“We were keeping track of a manual log for all inbound material to keep up with our vendor KPIs, but that wasn't something you could export from QuickBooks. We had a lot of double entry on the part of everybody to keep up with the systems.”

Tracking work-in-progress was difficult and often a day or two late. The data was tabulated by a single person who, if sick or on vacation, delayed the data further.

“Creating more efficient systems became a necessity,” Pichette says

SOLUTION

Heat-flo needed a manufacturing system to track raw materials and resources. Executives wanted to plan jobs and track them through production. They wanted to track WIP in real time, and become more efficient. Heat-flo also needed a full GL accounting program. Pichette says the company needed to serialize items and wanted to deploy barcode scanning.

Pichette researched potential solutions and put a team together to evaluate options. The team narrowed the prospect list to NetSuite, Sage Intacct, DELMIAWorks, and OptiProERP. They immediately eliminated one due to poor communication and lack of responsiveness.

Another option was affordable but didn't seem like a scalable option, he says. That left DELMIAWorks and OptiProERP with SAP Business One.

The DELMIAWorks option appeared to provide everything Heat-flo needed. “The problem was that you paid for the core functionality and everything else was an add-on that you also needed to pay for,” Pichette says.

“OptiProERP did everything that we wanted,” he says. “If you also have familiarity with SQL, you can get it to do almost unlimited things for you.”

“The customer service and sales teams were very responsive,” he adds. “They were understanding of our needs, they were very easy to communicate with, and they were familiar with manufacturing processes.”

The demo team patiently showed the Heat-flo team all the functionality they wanted to see, Pichette adds, and the team liked that OptiProERP was backed by SAP. “It also appeared simple to use,” he says.

BENEFITS

Now that OptiProERP is deployed, the company is much more efficient.

“Right off the bat, double entry went away,” Pichette says. “All of a sudden, I had at least an hour and a half a day and at least four hours a week that I wasn’t double entering things.”

He used that new-found time to be present on the production floor to help others learn the system.



REAL-TIME DATA

With data being captured in real time, “Our inventory numbers have been more accurate,” Pichette says. “There’s also data we’re capturing now that we never had before, and we’re able to use that to make some really good decisions.”

For example, he says, without the limitations of QuickBooks, Heat-flo is now working on sales reporting using clean and usable data it didn’t have previously.

Employees on the manufacturing floor now have information such as daily work lists and bill of materials at their fingertips, allowing them to log their work, which triggers the appropriate materials to be pulled out of inventory, Pichette says.

INCREASED INVENTORY ACCURACY

Heat-flo carries some 300 raw parts in inventory, which are used to make at least five major product lines that are made-to-stock. The company also makes custom-made-to-order water heaters.

“We know right away that inventory is accurate, and if there’s a problem, we’re addressing it in real time,” he explains. “We’re not letting information get three days old, and we’re not having to remember what happened three days ago.”

With OptiProERP, Heat-flo now tracks WIP, which helps the company improve productivity, manage resources effectively, and deliver high-quality outcomes. It helps them schedule work efficiently and provides information that helps keep customers informed of their orders.

CONTINUOUS IMPROVEMENT

With OptiProERP initially deployed, Pichette and others are analyzing new data that will help them enhance the company's continuous improvement efforts. "There's a lot OptiProERP can do, and we have only grazed the surface of what it can do," he says.

The next project lined up for the Heat-flo team is deploying bin locations. The initial effort is great, but this can greatly improve production efficiencies by providing real-time information to the inventory team, allowing them to adequately manage the stock on the production line.

Employees will remain at their post, continuously working, and the inventory team can manage their time more effectively, reducing the time spent carting materials back and forth throughout the day. Beyond this, the Heat-flo team will decide where their next efforts should be focused, but they're excited to leverage the tools they have available in SAP B1 and OptiPro ERP to continue on their journey of always raising the standard.