Algorithm

INNOVATIVE TEXTILES

A Division of Shimano Company

SUCCESS STORY

HOW INNOVATIVE TEXTILES INC. REVOLUTIONIZED AN INDUSTRY

BEGINNINGS

A man who grew up in the textile industry transformed his vision, evolving from kite strings to fishing line.

EXPERT SOLUTION

Algorithm's expertise was crucial in helping Innovative Textiles enhance their production efficiency with Algorithm's Implementation Method.

IMPROVED EFFICIENCY

Innovative Textiles was able to get their Return on Investment within the first year after switching over to an ultramodern ERP.

From Kite Strings to Fishing Lines

Innovative Textiles Inc., a Colorado-based manufacturer, exemplifies adaptability in manufacturing. Founded by Konrad Krauland in 1992, the company evolved from producing kite strings to revolutionizing the fishing industry. He initially focused on creating high-strength braided lines for sport kiting.

A turning point came when a California fishing tackle distributor sold Krauland's kite string to anglers, and in 1993, a professional fisherman won a bass-fishing tournament using this line, igniting widespread interest in braided fishing lines. Fueled by this growing demand, years of research led to the 1997 launch of PowerPro, a microfilament braided line made with Spectra fiber. This breakthrough followed a major setback in 1996 when the company lost 90% of its business overnight due to a lost contract.

Konrad Krauland
Founder

Reeling in Success: Industry Impact and Growth

During that time, a Japanese-based company named Shimano started looking at PowerPro. This sporting goods manufacturing company was founded nearly 80 years ago and was the world's third-largest fishing equipment manufacturer. The company was also recognized for its exceptional precision engineering. Shimano America acquired Innovative Textiles in 2009; their expertise and global reach came with the merger.

With Shimano's backing, Innovative Textiles was set to make an even bigger impact in manufacturing by leveraging their combined strengths for future growth and innovation. PowerPro and PowerPro SuperSlick line has revolutionized fishing with its superior strength-to-diameter ratio allowing thinner lines with equal strength, transforming fishing techniques globally.

Life Before Acumatica

Prior to Acumatica, Innovative Textiles managed operations using a mix of software applications. Core systems included Macola Progression for shop floor control and accounting functions like AP, AR, general ledger, and payroll. Reporting relied on Wisys, Microsoft Excel, Access, and Crystal Reports, while inventory scanning used both Wisys and Excel. Sage handled fixed assets, resulting in a complex patchwork of third-party systems attempting to function as a unified solution.

INNOVATIVE TEXTILES, INC.
HIGH PERFORMANCE SOLUTIONS THROUGH FIBER TECHNOLOGY

POWER PRO®

SHIMANO

Limitation and Challenges

The pre-Acumatica environment was characterized by a range of limitations and challenges that hindered operational efficiency and decision-making. The heavy reliance on manual entry, spreadsheets, and legacy systems resulted in increased downtime, data silos, and a lack of real-time visibility. The MRP system, for instance, required manual regeneration twice daily, slowing down the system and causing significant disruptions for those on the production floor. They typically ran it either before workers arrived in the morning or during lunch to avoid disruptions. The braid room operated 24/7 with 7200+ machines. Downstream orders were created based on customer needs, using MRP and spreadsheets. MRP had limitations in raw material planning but worked for finished goods.

The lack of integration between various systems and processes led to a fragmented and disjointed workflow. Vendor pricing information, purchase order status, and other critical data were all tracked in separate spreadsheets, making it difficult to maintain a comprehensive view of the organization's operations.

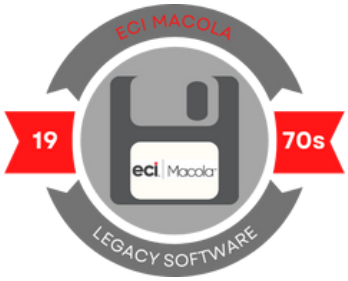
The RTY (Run Through Yield) report, a company KPI performance indicator for plant management, required extensive manual effort to compile which was a common issue on Macola. This process involved gathering data from various production and quality processes, using Excel macros to consolidate the information, and formatting the data into a cohesive report. This time-consuming task, taking at least 3 hours daily, highlighted the need for a more streamlined and automated reporting solution.

The Need for an Ultramodern ERP

The challenges faced by the organization in the pre-Acumatica era highlighted the pressing need for a more advanced, integrated, and automated enterprise resource planning system. An ultramodern ERP would address the limitations of the legacy systems, streamline manual processes, and provide real-time visibility into the organization's financial, operational, and supply chain data.

By implementing a new ERP solution, the company could expect to benefit from features such as automated invoicing, purchase order management, inventory tracking, production scheduling, and comprehensive reporting. The investment needed to improve operational efficiency, enable more informed decision-making, and better align the organization's strategic objectives.

> *I've seen the reporting tools that are in Acumatica: generic inquiries, import/export by scenario, and report designer; however, if you understand Microsoft Access it translates very well. They are incredible tools to access/edit the data in the hidden tables and link data together. I've been able to leverage all of them to provide accurate real-time reports which are used to make better decisions.* - **Derek, Manufacturing Accountant**



Acumatica
The Cloud ERP

Making the Switch

ITI already knew the perfect team for their migration to Acumatica, it was Algorithm. They were customers of Algorithm when Algorithm implemented Macola many years ago. Since then, Algorithm moved from implementing outdated legacy systems to implementing Acumatica Cloud ERP. Team Algorithm, led by Sr. Consultant, Kristin Christian, visited Innovative Textiles, took notes, and drew up a discovery of their operations to bring back to the team. Once their team met, a plan was born. “They have 7000+ machines that they need to plan production for and the various operations it goes through. So, I think the sheer volume of planning that goes into it made this one unique for us,” states Kristin.

The implementation methodology employed by Algorithm, which focused on developing power users within the organization, proved beneficial according to John, (ITI Director, Accounting, IT, and Supply Chain). This approach resulted in several team members becoming proficient in Acumatica, in contrast with previous implementations where staff had little to no knowledge of the system. The user-friendly interface of Acumatica facilitated easier access and understanding for all team members, enhancing overall productivity. The clear mapping of processes within the system allowed users to quickly grasp how to utilize the software effectively, leading to improved retention and comprehension. This empowerment of users not only increased their confidence in handling the system but also contributed to a more collaborative environment where knowledge sharing became commonplace.

> *In terms of operational efficiency, the implementation brought notable improvements, particularly in scheduling and reporting. The MRP process became significantly faster, reduced from 45 minutes to just two minutes and automation eliminated the need for manual intervention. Additionally, Acumatica corrected previous setup errors, allowing for more accurate work order management and meaningful variance tracking. This shift not only minimized downtime but also streamlined operations by reducing the need for small, inefficient orders.* - **Andrew Baker, Supply Chain Supervisor**

Algorithm customized one of the processes for ITI after the initial implementation. The move form in Acumatica mirroring the functionality they had with Wisys. It's a scan-based move that directs inventory to a specific location based on length, automatically deducting yardage based on a preset attribute. Unlike in Macola, where this movement took place only as an inventory move, this customization in Acumatica allowed this same move directly from the Work Order.

Algorithm built a customization that calculates the appropriate location by yardage, directing items based on that formula. In Acumatica, items now move directly from the work order to their designated location. Additionally, they implemented functionality for scrap and rework, where items are directed to specific locations based on rework codes. This approach allows for more streamlined and accurate reporting from the Work Orders. Overall, the combination of a user-friendly interface, automation, and remote accessibility transformed the way employees interacted with the system, making their work more efficient and less cumbersome.

ROI

Since the implementation of Acumatica and thanks to the teams of Innovative Textiles and Algorithm; Kristin said, “Those guys have done a fantastic job, and they have some great power users with some really good brains there. So, they have done just an amazing job.” Later, Derek explained to Kristin and the Algorithm team that because they're owned by Shimano, he had to keep track of everything, even their time during the implementation. He gave them a total of what the implementation cost was, not just time and software, but their time too. And because of that documentation, they were able to calculate and see their return on their investment. Specifically, they proved that they recouped the entire cost of converting from an outdated system to an ultramodern one, within less than nine months!

For over 30 years, Algorithm has been serving America’s finest manufacturers, distributors, and construction manufacturers.

Customers value Algorithm's deep industry and software knowledge and their experienced team of advisors, consultants, engineers, and business professionals, each with the highest-level partner certifications for Acumatica. They are the algorithm, the winning approach combining best practices and documented implementation methodology for the planning and deployment of cloud services, the network and devices used to access them, improvement and customization services, and all the support needed to maximize customer success