

BUSINESS PROCESSES FOR A 21ST CENTURY COATINGS COMPANY

Progress Paint Slashes Inefficiencies While Strengthening Data Integrity

FOR NEARLY 100 YEARS, PROGRESS PAINT MANUFACTURING COMPANY, INC. HAS BEEN COVERING ITS CUSTOMERS' NEEDS through the production of interior and exterior architectural paints, industrial maintenance coatings, and marine finishes. From three locations, the Louisville, Ky.-based business manufactures its name brands of Gray Seal®, Kurfees®, Fixall®, Duralux® Marine Coatings, and Lumi-Seal® Acrylic Concrete Sealers, which are sold through independent dealers.

Several years ago, the company realized it wasn't covering its own needs: The non-integrated software systems and manual processes Progress Paint was using to run its business were slowing its productivity. To accelerate efficiencies, Progress Paint decided to replace those old systems with a single accounting and Enterprise Resource Planning (ERP) software solution.

PLAGUED BY LAG TIME

"Our decision to seek an integrated system was the result of having too many unlinked data depositories in order to integrate critical decision making information," explains Stan Hope, Progress Paint's Vice President of Operations. "With so many outdated and non-integrated systems, we were plagued with time-consuming compilation of data, which shortened the time span to make effective decisions."

Inventory, for one, was managed through two separate software systems. One system was only able to handle Work In Progress inventory (WIP), while the other system maintained finished goods inventory. Progress Paint had to perform quarterly physical inven-



A BLEND OF THE BEST. Progress Paint offers a color matching system to its dealers that not only finds the closest color system match, but also provides custom formulas to match any paint color.

ories in order to control product counts.

"One system handled our formulas and raw material costs. That was it," says Chief Financial Officer Lance Gilbert. "Once finished goods came out of production, they were manually entered into our AS/400 system, which included our General Ledger and sales orders."

Without a Materials Requirements Planning (MRP) system, Progress Paint used spreadsheets – some of them completely

paper-based – to determine material usage. This method made it difficult to control appropriate inventory investments, such as the production of unnecessary parts, Gilbert

says.

On top of that, whenever a formula or product change occurred, there was a lag time between taking the costing from the formula system and getting it on the general ledger system. And creating environmental reports, such as Superfund Amendments and Reauthorization Act (SARA) reports, could take as long as a month using Excel®, Gilbert says.

EXCEEDING EXPECTATIONS

The Progress Paint software search team, which included the president, technical director, office manager, formulator, and Gilbert and Hope, evaluated a number of ERP software providers prior to its selection of the DEACOM Integrated Accounting and ERP Software System in April of 2006.

// Deacom continually exceeded our expectations throughout the [ERP search] process. //

BUSINESS PROCESSES FOR A 21ST CENTURY COATINGS COMPANY

Progress Paint Slashes Inefficiencies While Strengthening Data Integrity

"Our vendor selection course of action consisted of a review of our specific requirements, several in-depth demonstrations, and conversations with current customers in similar industries. Deacom continually exceeded our expectations throughout the process," Hope says.

After seven months, Progress Paint completed full data conversion, implementation, and training. Today employees manage their business processes, including inventory control, order entry, accounting, pricing, formulations, production, and environmental reporting, through the DEACOM System. Users can view both WIP and finished goods inventory in real-time, and maintain perpetual inventory costing in First In, First Out (FIFO). For detailed lot tracking, users may drill from inventory on-hand to inventory lots to actual purchase orders in three clicks. The DEACOM MRP System allows users to set order points and forecast requirements in one screen for total materials management.

Another benefit of DEACOM is its custom-formatted templates that are tied to current formula data, making it easy to generate SARA reports and Material Safety Data Sheets (MSDS). Once a calculation is altered, the new data is automatically adjusted in each template so Progress Paint's reports and MSDS forms are always up to date.

STROKE OF SUCCESS

Since going live on the DEACOM System, Progress Paint has greatly increased its efficiency compared to its previous software setup.

"Our people's time is now spent performing more productive tasks and decision making, instead of less-productive data compilation and integration," Gilbert says.

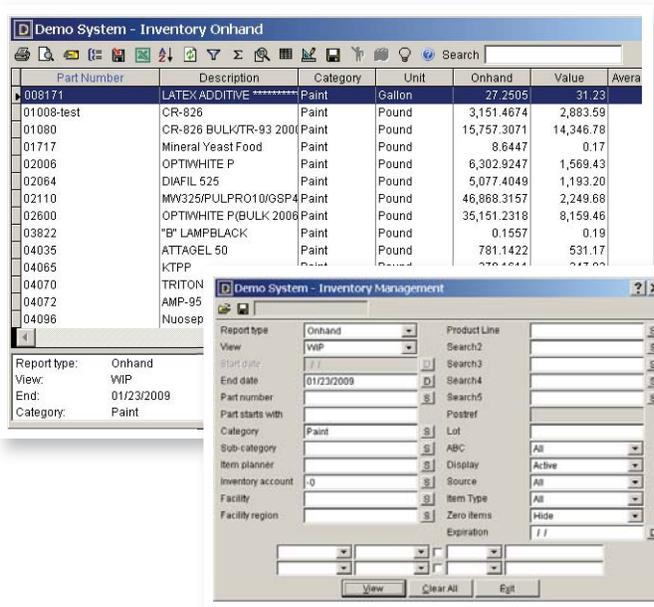
Progress Paint employees now can quickly manage data from one, central

location because of DEACOM's complete business process integration. With WIP and finished goods inventories in one spot, for example, employees can quickly view current and accurate inventory data without the need for daily cycle counts. And because inventory information drives through to DEACOM's MRP system, Progress Paint gets a complete, real-time view of all its material requirements.

"It's like we went from the 19th Century to the 21st Century (with MRP)," Gilbert says.

Additionally, SARA reporting can now be completed in less than a week – instead of a whole month. Even system navigation is improved for current and future employees, due to DEACOM's intuitive design and interface.

"The Deacom experience was truly a pleasant one," Hope says. "From converting data from multiple sources to responding quickly to questions and issues, Deacom ensured every step of the way that we would reach our business goals when we needed to, as smoothly as possible."



PROGRESS MAKES PROGRESS. With WIP and finished goods inventories in one spot, employees can quickly view current and accurate inventory data without the need for daily cycle counts.

CLIENT PROFILE

COMPANY

Progress Paint Manufacturing Company, Inc.

TYPE OF BUSINESS

Manufacturer of architectural paints, industrial maintenance coatings, and marine finishes

HEADQUARTERS

Louisville, KY

NUMBER OF LOCATIONS

3

NUMBER OF EMPLOYEES

65

ABOUT DEACOM, INC.

Deacom, Inc. produces the complete DEACOM Integrated Accounting and Enterprise Resource Planning (ERP) Software System for the paint, ink, coatings, and specialty chemical manufacturing industries.

DEACOM Software manages Lab Management, Regulatory Reporting, Labor Tracking, Stores/Point-of-Sale (POS), Sales Order Entry, Production Scheduling, Purchasing, Inventory Control, and Accounting in a single software package. To learn more about the DEACOM System or to schedule a web demonstration, call 610-971-2278 ext. 15 or visit www.deacom.net today.

DEACOM[®]