

# DIFFERENT AS NIGHT AND DAY

## SEM Products Achieves Dramatic Process Improvements with Integrated ERP System

**A LOT HAS CHANGED IN THE AUTOMOTIVE INDUSTRY OVER THE PAST 60 YEARS.** Vehicle brands, body styles, performance, and prices all have evolved considerably since 1948 – the year SEM Products Inc., a manufacturer of interior and exterior auto body repair and refinishing products, first opened its doors.

Fortunately for SEM, one thing that has remained constant is the need to repair and refinish vehicles when time, wear, and accidents leave a mark. This opportunity has allowed the company to grow and thrive. Over the years, the 100-employee company has expanded its customer base and product lines, which now include SEM's line of automotive coatings, adhesives, fillers, and sealants; SEM Color Horizons, a collection of intense custom paints; and SEM Aerospace, a line of aircraft interior and wing walk repair products.

The company also expanded its manufacturing space in February 2009, consolidating two North Carolina facilities into one building in Rock Hill, S.C. with an additional 20,000 square feet for manufacturing.

"We simply outgrew our old space," says Brian Goff, SEM's vice president of administration and finance. "We've added 25 percent more functional square footage, and the new site has a lot of room for growth."

With expanded product lines, markets, and facilities, SEM has turned its focus on building efficiencies within its business processes. In 2006, the company decided to replace a pair of outdated and non-integrated software programs with a single, integrated ERP software system.

### FUMBLING IN THE DARK

For years, SEM had been managing its business using two non-integrated software systems and various manual processes to fill in the gaps. As the business grew, the drawbacks of this setup became more and more apparent.

"The systems were outdated," Goff says. "They were lacking in data accessibility and overall functionality."

For one, the sales order entry process was convoluted. It took many keystrokes to enter each line item, and any special customer or promotional pricing had to be researched, calculated, and entered manually. "You had to know it's this customer, they get a deal for this part, and here's the deal percentage," Goff says.

On top of the regular order-entry process, SEM's customers had begun asking for electronic data interchange (EDI) functionality to communicate sales information with the manufacturer. SEM could not accept EDI from its customers because its systems

couldn't handle it.

Inventory was another problem area. Because data was stored in several different places in SEM's inventory system, it was difficult to trace transactions. Obtaining all the inventory information it needed typically required creating and comparing several reports, which repeatedly exposed the "questionable" integrity of inventory transactional data, Goff says: Employees often discovered conflicting numbers for the same transactions depending on which screen or report they viewed.

In general, generating internal reports was an ordeal. Getting all the right data in a useful format out of the systems often took several hours. "So I'd do it at night when the server was a little quicker. But it would still take forever," Goff says. "Some reports took 45 minutes to run and 25 minutes to generate output."

Generating invoices, regulatory reports, and other shipping documentation posed similar time problems. Without integrated reporting functionality, SEM turned to outside spreadsheets and reporting software to research and compile information. For overseas shipments, this also included invoices. With four or five pieces of

**SEM EMBLEM.** English bulldog Dualie is a recognizable symbol for SEM Products, a company with more than 60 years of experience providing friendly service and high-quality, reliable products.



# DIFFERENT AS NIGHT AND DAY

## SEM Products Achieves Dramatic Process Improvements with Integrated ERP System

data required for every line item, not only was it a lengthy task, but there were also multiple opportunities for error, Goff says.

One potential pitfall was that, because the systems processed data in batches, SEM employees always had to double check that there weren't transactions floating around that hadn't been posted yet.

### SEARCHING FOR A BETTER WAY

These issues, combined with the fact that the systems' vendors had discontinued their program support, led SEM Products to search for new business software. Goff and the company's IT manager conducted the initial search. Once the two identified a short list of vendors, they brought in members of the laboratory, purchasing, manufacturing, and sales departments to thoroughly evaluate each system.

The team was looking for a (1) fully-integrated system with (2) functionality for their business and (3) overall ease of use. Against those criteria, it evaluated three software solutions.

Goff says they eliminated one of the systems immediately because it wasn't SQL Server® based, which was one search requirement. The other was nixed because it wasn't a fully-integrated package. "There were a lot of bolt-ons," he says. "If you want EDI, you had to go to 'so and so' to get it, if you want CRM you have to go

here to get it. The thought of dealing with four, five, six different vendors and resource teams to make each piece functional was scary."

The third system, the DEACOM Integrated Accounting and Enterprise Resource Planning (ERP) Software System, was selected because it is a fully-integrated package with all the functionality required for a coating, adhesive, and sealant manufacturer. DEACOM could integrate all aspects of SEM's business – including formulation, inventory control, production, sales, purchasing, regulatory reporting, EDI, contact management, and accounting – in one system without customization. DEACOM's configurability instead allowed SEM to reengineer its business processes to mirror industry best practices, and then define its own fields to fit those processes. As a result of this configurability, the company can produce targeted reports and generate customer-specific documentation without programming changes or IT assistance.

Because DEACOM uses a Microsoft SQL Server® database, SEM knew it was getting a fast, scalable, and secure system – one that's capable of processing large volumes of data in real-time and auto-saves information so that, in the case of a power outage, no data is lost. And system demonstrations immediately showed it had the ease-of-use factor the company required. "DEACOM just seemed like a very intu-

## CLIENT PROFILE

### COMPANY

SEM Products Inc.

### TYPE OF BUSINESS

Manufacturer of interior and exterior auto body repair and refinishing products

### HEADQUARTERS

Rockhill, SC

### NUMBER OF LOCATIONS

1

### NUMBER OF EMPLOYEES

100

itive, slick system," Goff says.

It also didn't hurt that Deacom's management and support staff were accessible from the start. Goff says the staff seemed "genuinely concerned and interested in continually enhancing the software package. We felt that if the system didn't have something we really needed, they'd make it happen. Whereas, say you're dealing with a large software company and you go to those guys and say 'we need this functionality,' they're not going to give it to you."

SEM Products licensed the system in September of 2006. Seven months later, the company went live on DEACOM.

## A NEW DAY

After flipping the switch on DEACOM, SEM noticed a considerable improvement in its business processes. "Early on, we were just blown away by the ease of use and access to data," Goff says.

The sales process, for one, was greatly simplified. DEACOM's intuitive order entry functionality reduced the number of keystrokes required to enter an order. And because DEACOM allows the company to set up deal pric-

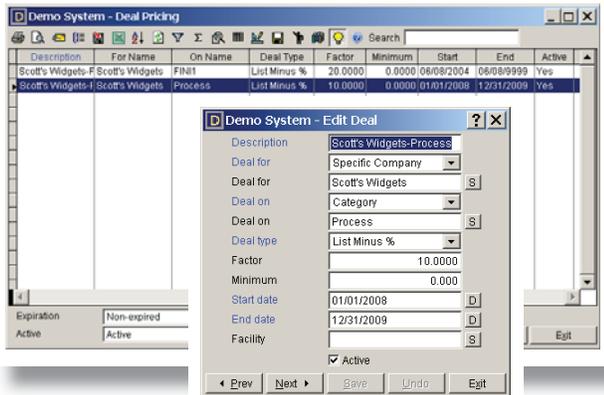


**LIKE NEW AGAIN.** DUAL-MIX, a line of multi-purpose adhesives, fillers, and sealers, helps auto technicians restore a vehicle's "factory look." Combined with SEM Products' Forever Warranty, DUAL-MIX is an attractive choice for bodyshops.

**DEACOM®**

# DIFFERENT AS NIGHT AND DAY

SEM Products Achieves Dramatic Process Improvements with Integrated ERP System



**SEAL THE DEAL.** Because DEACOM allows SEM Products to set up deal pricing for specific products, time periods, classes of customers, or individual customers, the company could do away with manual calculations altogether.

ing for specific products, time periods, classes of customers, or individual customers, SEM could do away with manual calculations. The company also began to accept EDI transfers through DEACOM.

SEM's inventory transactional data integrity greatly improved, too. Because DEACOM is a fully-integrated system, SEM's data is stored in only one place – which means the system can post transactions in real time. “The old system was truly a batch system – you batched transactions and then you posted transactions. In DEACOM the posting occurs when you save or ship a transaction,” Goff says. The benefit, he says, is knowing that you’re viewing “real data,” without having to check other screens to make sure all transactions have been posted. In fact, Goff can pull an inventory history that shows him all transactions and their current statuses at that exact moment.

DEACOM also has improved SEM's reporting speed. Goff says he can now pull a perpetual inventory listing, and get all the information he needs, with just a few clicks. “It takes me less than five seconds in DEACOM to get (the data) in a format that I can use, whereas in the old systems it was multiple hours to get all the information I needed,” Goff says.

“If you can look at a screen and think I want X, Y, and Z, you set up the filters and run the report. And then once you see it, if you want it formatted or sorted differently, then

you do it. The learning curve for most queries is very quick.”

SEM gained speed in creating regulatory reports and other documentation with DEACOM. In the system, user-definable templates for labels, shipping documents, invoices, and other documents were created. Then DEACOM automatically populates the documents with the appropriate information when SEM fills an order, so users can print forms containing current data.

In total, Goff says using DEACOM is “dramatically different” from its previous systems. With integrated software that’s faster, more accurate, and provides better data visibility, SEM has gained efficiencies that have helped fuel its continued growth to become a leading manufacturer for the auto-

motive and aerospace repair and refinishing industries.

Reflecting back on SEM's old systems compared to DEACOM, Goff says the difference is “like night and day.”

## ABOUT DEACOM, INC.

Deacom, Inc. produces the complete DEACOM Integrated Accounting and Enterprise Resource Planning (ERP) Software System for paint and coating, adhesive and sealant, specialty chemical, cosmetics, food and beverage, and pharmaceutical manufacturing companies.

DEACOM Software manages Formulation and Lab Management, Regulatory Reporting, Lot Tracking and Inventory Control, Production, Sales Order Entry, Purchasing, Accounting, Labor Tracking, and Stores/Point-of-Sale (POS) in a single 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](http://www.deacom.net) today.

The image shows a screenshot of the 'Demo System - Inventory History' window. It features a table with columns: Date, Part Number, Post Ref, Action, Cost, In, Out, and Balance. The table contains multiple rows of transaction data, including dates from 03/27/2009 to 09/09/2008, part numbers like 30-01-IM and 30-04-HY, and actions such as 'Shipped order' and 'Finish job'. Below the table, there are filter controls for Report type (History), View (Inventory), End (04/13/2009), and Category (Coatings Division). There are also buttons for Modify Attributes, Part History, View Detail, Modify Serial #, Adjust Onhand, Part Locations, New Expiration, Move Inventory, and Exit.

**BATCHING BEGONE.** According to Goff, the benefit of real-time transactional posting is the ability to pull an inventory history that shows all transactions and their current statuses at that exact moment, without having to check other screens.

**DEACOM**<sup>®</sup>