

Sage 500 ERP | Customer Success

Nylene Canada Runs Its Own Show With Sage 500 ERP

What a difference corporate restructuring can make, as Nylene Canada discovered when it was spun off recently from Honeywell Nylon Canada. The head office had provided accounting services to its subsidiary. Suddenly, Nylene had to find a system to support its own financial management—and quickly.

“Three months was all we had to transition to a completely new accounting system from the corporate SAP system,” says Shiraz Meghji, vice president of finance and accounting. “What a tremendous challenge. In addition, we could not allocate additional hours above and beyond our normal duties for implementation. Given these parameters, we had no idea if a launch was even possible.”

Selecting Sage 500 ERP*

Nylene Canada, which manufactures nylon resin for carpet yarn and the yarn itself, chose Sage 500 ERP as its new business system. “I was initially attracted to Sage because our parent had been using Sage Line 500 as its ERP,” says Meghji. “After researching the market, I was impressed with the centralized functions in Sage 500 ERP, especially its ability to handle cash management. The system seemed to have the power and manageability necessary for a company our size.

“Equally important was finding a business partner who was competent and gutsy enough to attempt a really fast implementation,” he continues. “Our business partner was both. He helped us configure a system and assured us the project could be done.”

Full Spectrum of Capabilities

To Meghji’s amazement, the system was installed exactly as promised. The transition was seamless to customers and did not disrupt the ongoing workflow of users. “Our implementation required a lot of faith and a little bit of luck,” notes Meghji. “Toward the end, we had some training to do and some forms that needed customizing at the last minute. Nevertheless, we stuck with our original deadline. On Day One we were actually able to ship, invoice, pick orders, and generate documents for customers, all with Sage 500 ERP. It was phenomenal.”

*Sage 500 ERP was named Sage ERP MAS 500 when Nylene Canada, Inc. initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer

Nylene Canada, Inc.

Industry

Nylon Manufacturer

Location

Ontario, Canada

Number of Locations

One

Number of Employees

350

System

Sage 500 ERP



Challenge

Newly autonomous \$100 million firm needed economical ERP installed in just three months to manage all aspects of business and manufacturing operations.

Solution

Sage 500 ERP with full complement of financial and manufacturing modules, providing enterprisewide business management information.

Results

System was successfully launched within extremely aggressive timeframe; has saved equivalent of three to five full-time employees by centralizing functions.

Sage 500 ERP now manages the entire enterprise at Nylene Canada, from the general ledger and accounts receivable to inventory and warehouse operations. Sage 500 ERP begins its work at Nylene Canada the moment an order comes in, when data is entered into the Sales Order module. The software then manages inventory picking and shipping, for real-time customer information.

Triple-Check for Accuracy

On the production side, Nylene uses the Advanced Manufacturing module in Sage 500 ERP to track raw materials when they arrive at the plant. Nylene uses a recipe-driven manufacturing process and runs the Materials Requirement Planning (MRP) module to determine when materials need replenishing. When a pound of product is released from raw materials, the system checks minimum levels and triggers a requisition and purchase order, for automated ordering.

"We include a purchase order number on each requisition," notes Meghji. "When goods come in and are received by the system, we can compare a PO, receipt, and invoice, for three-way matching against AP."

When bills match properly against inventory, data flows to the Accounts Payable module, which interfaces with finance records. Sage 500 ERP sets up a table and performs check runs based on each invoice's due date.

Cash Management

Back when Nylene was a subsidiary, the treasury department at Honeywell assumed responsibility for its cash flow. "Suddenly when we became a standalone company, cash management was a huge issue. We had to deal with credit limits for the first time," says Meghji.

"Sage 500 ERP is a fantastic tool in this regard. For example, in the Accounts Receivable module we can bring up data on a customer and instantly see their credit status. We can also view account aging. Having this information up front helps us follow through on accounts for better cash flow," he adds.

About Sage

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, manufacturing, nonprofit, and real estate industries. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 12,300 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243. Follow Sage North America on Facebook at: <http://www.facebook.com/SageNorthAmerica> and Twitter at: <http://twitter.com/#!/sagenamerica>.

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Shiraz Meghji
Vice President of Finance
and Accounting
Nylene Canada, Inc.

Speed and Savings

"Our new Sage 500 ERP system is so much faster than what we had before," says Meghji. "Information is now instantly available to us. We can look up customer and vendor status in a minute or two, rather than waiting hours or even days for reports to come from headquarters. Also, we're realizing important savings in system maintenance, because the entire system is here where we have easy access to it."

Another benefit has come in cost savings. Nylene previously reimbursed its parent company for accounting support. By bringing these functions in-house, the company now has a much more economical solution.

"All I can say is 'wow,'" says Meghji. "We did a migration to Sage 500 ERP from SAP in just 90 days. Now we have a much more efficient and user-friendly system, with savings equivalent to a three- to five-person reduction in headcount. It's an incredible achievement for Sage 500 ERP, our business partner, and the Nylene conversion team."