

Pierce Pacific Grows on Foundation of SYSPRO Software

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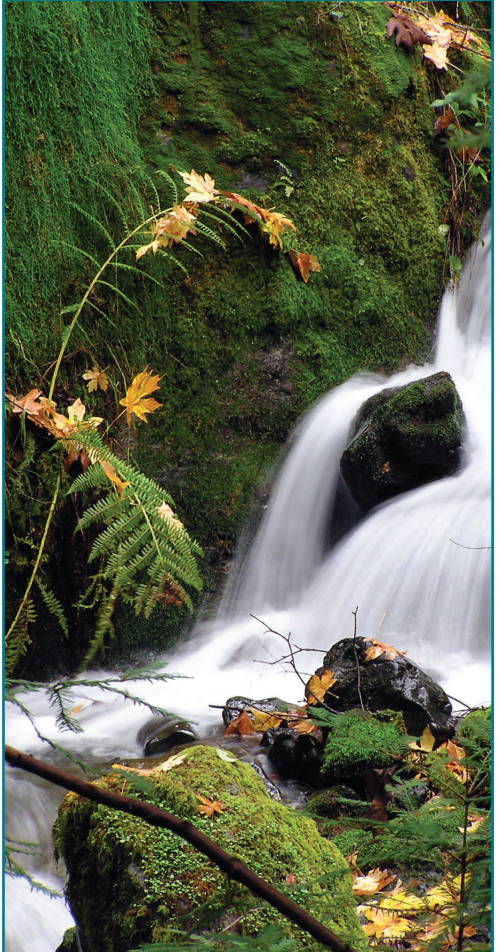
■ AT A GLANCE ■

COMPANY

Pierce Pacific

INDUSTRY

Equipment Manufacturing



PIERCE PACIFIC MANUFACTURING, INC.

■ The Company

Pierce Pacific Manufacturing is a world leader in the manufacture of mechanized forestry products even though it is a relatively small company. Headquartered in Portland, Oregon, the company builds attachments for hydraulically-driven excavators which are used in forestry, mining and construction. The attachments add considerable value to the excavators. In fact, the value of the attachment often exceeds the value of the transport device onto which it is "pinned." It's not unusual for users to utilize the excavators as transport devices to maneuver the attachments to the desired site.

"SYSPRO has everything we need now and has capabilities available for future growth and expansion. What really impresses us is that SYSPRO is not a limiting factor. On the contrary, SYSPRO can more than handle what we plan for the future."

- Brad Sintek
Operations Manager, Pierce Pacific

The attachments are sold directly to customers, such as Caterpillar, or through OEMs and dealers, who in turn sell the attachments to contractors. The availability of the attachments is often the reason why contractors purchase from the OEMs and dealers and often Pierce Pacific will assist in these sales. In addition to Caterpillar, the Pierce Pacific customer base includes John Deere, Komatsu, Link Belt and others.

Pierce Pacific's business is unique in that few products are standard, while most are built-to-order. The greatest number of any particular product sold is approximately 100 per year. In fact, the company often makes one-of-a-kind units for one-time orders.

■ The Challenge

Pierce Pacific's competitive advantage is the range of product offerings and the speed with which the company can build attachments. Due to significant engineering capabilities, Pierce can go from idea to finished product faster than any of its competitors. However, this capability can also create challenges. For example, Pierce has a relatively high SKU count of over 200,000. Each product has numerous variations and it's typical for a customer to state, "I want something over here, a guard over there ... can you please add this..."

Pierce's products have included 105 ft.-long booms to pour slurry walls along the levees of the Sacramento River delta. The booms are designed to match the individual carrier using a detailed customer requirement form that even includes the tidal rate of the location of the barge. Hurricane Katrina generated a huge demand for the booms, and Pierce Pacific was on the job creating a number of long booms for the purpose of cleaning canals and removing sludge from waterways and ponds.



Other Pierce products include attachments for the logging industry, such as delimers that process a cut log while a computer simultaneously measures the diameter of the log, delivering cutting instructions based on the customer's requirements. Pierce Pacific also manufactures grapples, log loaders, high speed saws, and scrap machines that move bulk materials onto or from barges. The machines characterize Pierce Pacific equipment which does more with less manpower.

■ **The Solution**

Brad Sintek, Operations Manager, has been with Pierce Pacific for eleven years during which time he has overseen the company's growth. When he began with Pierce Pacific, SYSPRO software had recently been installed and integrated. However, for several years, only a small portion of the software was utilized, but as the company grew, so did its needs. As requirements grew, more of SYSPRO software's capabilities were brought into play.

According to Sintek, Pierce Pacific is unique in that its business is highly dynamic necessitating the creation of a lot of different products with relatively small production runs. In fact, the company classifies a "large" production run as perhaps 20 units. The bulk of Pierce's production is fulfilled by runs of "one-of-one."

■ **The Result**

Additionally, a particular challenge involves the production of spare parts to support the long-term life of the attachments. The company can't always predict what parts will be needed or when, so detailed records on the attachments must be maintained for several years in case a spare part is required. It is not uncommon for parts to be ordered on machines that were built twenty years ago. Due to the uniqueness of each finished product, 30-40% of the parts generated require brand-new drawings to enter into the system. SYSPRO has helped meet this challenge, according to Brad, and currently the system is holding information on 220,000 part numbers. SYSPRO also helps the company track 2200 open jobs running at any given time.

Additionally, Pierce Pacific utilizes SYSPRO Supply Chain Transfer for warehouse logistics within three separate warehouse locations. The main warehouse is located in Portland
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Oregon, while there are two in Canada and one in Baton Rouge, LA. Pierce has experienced recent rapid growth, expanding dramatically in the last year. Today, Operations is faced with opening and closing fifty new jobs in production daily.

"Everything we do is in SYSPRO. If we didn't have it, we couldn't do what we are currently doing with our business. SYSPRO has everything we need now and has capabilities available for future growth and expansion. What really impresses us is that SYSPRO is not a limiting factor. On the contrary, SYSPRO can more than handle what we plan for the future."

He continues, "The SYSPRO MRP module is very important to us. We're using it to facilitate accurate warehouse stock levels for our customers. It helps us predict future needs and is a great tool with ordering. It assists us in analyzing 'buy choices,' enabling us to make better purchasing decisions and manage our cash flow.

Shari Schneider is Controller of Pierce Pacific. She has been with the company for three years, wearing many hats in the shape of finance, HR, payroll, Administration and IT Manager.

She reports that SYSPRO software is running on IBM X series E Model 225 servers with 100 users. Shari feels SYSPRO software is better, more user friendly than others she has used and states that she is amazed at all the data it stores. She gives SYSPRO kudos for the forethought in its design with an emphasis on thoroughness and completeness of its programs. "When the company grew from a national to international business by acquiring a Canadian company, the software proved its usefulness by effortlessly handling currency exchanges and valuing assets recorded in Canadian values," she says.

Sintek concludes, "As Operations Manager, I have to know about every aspect of the business and SYSPRO gives me that information. At Pierce Pacific, we have a philosophy that we need to be better today than we were yesterday, or we will not be in business tomorrow. SYSPRO software's capabilities and how we use them have everything to do with that philosophy."