

THE BOTTOM LINE

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AN MDKS CASE STUDY AT SUNRISE WHIRLPOOL SPAS

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Sunrise Whirlpool Spas is one of the leading whirlpool spa manufacturers in Canada. Sunrise started operations in 1987 and now employs between 50-75 employees depending on the time of year.

Out of their 45,000-square-foot plant in Grimsby, Ontario, Sunrise assembles and distributes spas to customers throughout Canada, Europe and the U.S.

In 2002, Sunrise was struggling with its manufacturing system (Visual Manufacturing), which it had only implemented in 2001.

The Visual Manufacturing system turned out not to be a good fit for Sunrise and they began to investigate alternatives.

The president of the company, Jack Layfield, CA, turned to Rick Kingston of MDKS for advice.

MDKS had already successfully implemented the ACT contact management system as well as installed new computers, a network and communication system for Sunrise. MDKS provides a wide range of services including assurance, business consultation, taxation, hardware & networking, and ACCPAC consulting.

As well, MDKS has developed its own software solution for distributors and manufacturers called Infinity. When MDKS said the Infinity system could automate Sunrise's business, Jack's trust in them led to a demonstration of the Infinity system.

Sunrise's requirements included a system that handled discrete manufacturing and flexible pricing. Sunrise has three price lists (Canadian, European and U.S.) and there are additional price levels for customers and quantity discount breaks.

The demonstration showed that Infinity met most of Sunrise's requirements except for one major component — a configurator.

A configurator allows order processing clerks to create a product on the fly based on applicable features and options for a base unit. MDKS wrote a configurator program for Sunrise hoping it would get their business if successful — and it was.

Solution: The Infinity system includes Accounts Receivable, Order Processing, Purchasing, Inventory Control, Work Orders, Bill of Materials, and Warehouse Management. Infinity is integrated with ACCPAC Advantage for General Ledger and Accounts Payable.

MDKS converted the data from the old system, and the implementation process went very smoothly. Sunrise made the gutsy decision to implement Infinity during its busiest time of year and went live March 1, 2003.

Currently the warehouse management has been partially implemented allowing Sunrise to use a wireless system to track the progress of an order through the plant.

Later scanning will be used for receiving and shipping. Future implementation plans include eCommerce allowing Sunrise customers to view their orders, accounts, and follow their spas through the production process.

For a 16-user system, Sunrise was charged less than \$50,000, which included all Infinity software and services.

Sunrise also pays \$700 per month for unlimited support. MDKS' terms include paying the lesser of the contract price or the perceived value of the system. So, if a client is not happy, he/she only pays MDKS what he/she thinks they deserve. Sunrise paid the full price.

There are small problems, but these are dealt with by MDKS promptly. There has been a ten-

deny in the past for Sunrise to ask for new features because MDKS made it relatively easy and affordable.

Nevertheless, customizations should generally be avoided unless necessary. Sometimes the old way of doing things is not the best way, and it is better to adapt to the new system rather than to customize it.

Another potential issue is that Sunrise's ACT system is not integrated with Infinity, but this has not been a problem so far.

Benefits to Infinity include eliminating two order entry clerks with the new system primarily because of the configurator even though business has grown by 20 per cent. The configurator also minimized mistakes that had occurred with the old system, which were very costly to fix.

Bottom Line: Most accounting firms that venture into IT consulting have failed miserably. But MDKS has won awards from ACCPAC for its consulting services. MDKS has also taken the bold step of developing its own software. In the last five years, the company has grown from five to 40 employees.

It is also interesting how Sunrise was introduced to MDKS.

Jack Layfield belongs to TEC, which is an international group of CEOs. Groups of 15 CEOs get together monthly to discuss their business and share ideas.

At one of these sessions, Rick Kingston was mentioned as a good source on Blackberry for wireless communication. And this led to installing ACT, then the computers and network and finally to the implementation of the Infinity system.

Jack Layfield looks to MDKS as a trusted partner. They will drop in to see how things are going. They are always looking for opportunities to improve business operations.

They think like businessmen and only recommend technology if there is a compelling business case. Sunrise does not need an internal IT department. It has outsourced all of its IT to a trusted technology partner — MDKS.

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