

# Encompix Customer Profile



**Location:**

Quebec, Canada

**Industry:**

Capital Equipment for the Paper & Pulp Industry

**Challenge:**

To integrate all sites with a single ETO system

**Solution:**

Integrated Software and Services from Encompix

Founded in 1975, GL&V has become one of the largest companies specializing in the design and manufacture of engineered proprietary equipment for the pulp and paper, mining and other industries. GL&V currently employs some 1,300 people worldwide. From state-of-the-art manufacturing facilities in Canada, the U.S. and Sweden, the company serves clients such as International Paper and Georgia Pacific.

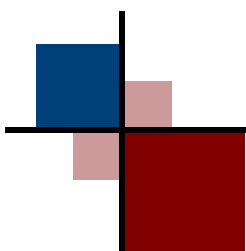
In 1986, GL&V successfully made its initial public offering. This access to the financial markets allowed the company to accelerate its growth rate, especially by acquisition. These acquisitions have provided GL&V with one of the largest installed bases of pulp and paper equipment (including Albia, Bagley and Sewall, Black Clawson-Kennedy, Canron, Celleco, Dorr-Oliver, Downington, Hedemora, Impco, Jones, LaValley, National Refiner Plate and Sandy Hill brands) in the world. However, since each acquisition had its own business system, it became increasingly difficult to exchange data and ensure consistency of information.



## The Need for Change

In 1996, an independent consultant recommended that GL&V change the business system in the company's original Quebec site. At the time, GL&V was running an old system using "green screen" AS/400 software. A new system was selected and initially implemented in GL&V's Process Group. This system was implemented at two sites within the Pulp & Paper Group, with a third site never fully implemented.

Where the new system ran into difficulty was in supporting the special nature of the Pulp & Paper Group's business processes. The type of machines designed and built by GL&V are engineer-to-order and built to customer specification. But most traditional ERP systems are designed to support companies that build standard products.



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Such systems plan inventory based on sales orders and forecasts, purchase material for inventory, and issue the material to work-in-process (WIP). Finished goods are moved from WIP to finished goods inventory before shipment to the customer.

“This is fine if you are making standard products,” said Sonia Lebot, corporate business systems manager for GL&V. “But we don’t make standard products, and they don’t go through inventory. We make capital equipment specifically designed to customer specifications, and ship directly from WIP.”

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The difficulties caused by trying to use this traditional ERP system forced GL&V to develop “work arounds” for hundreds of transactions daily. Many users became frustrated and reverted to their own manual systems. In order to meet its pledge to deliver products and services faster than any other major supplier, GL&V needed a system that would support its business processes.

### Hard Decisions

“It was time to make some hard decisions,” said Lebot. “It was very difficult to justify a change, as we had already spent over one million dollars implementing the previous system. Most companies don’t want to admit they made a mistake in implementing the wrong software.”



Lebot headed the selection committee that included an implementation team from GL&V’s Hudson Falls, NY, facility. Learning from their previous experience, the team’s first question to potential software vendors was: “Does the system force goods to go into inventory before shipping to the customer?” “If the answer was yes,” Lebot explained, “We didn’t continue with that vendor.”

Initially, the committee didn’t even realize they were actually looking for an engineer-to-order (ETO) system. “It was after we looked at the very first system. The vendor told us their system was not right for us, and what we really needed was an ETO system.”

### Finding the Right Solution

“We found the Encompix web site and soon realized that their product description fitted our business processes very closely,” said Lebot.

The selection process started in March 2000 and ended in June the same year. The committee evaluated nine systems before narrowing the field down to three finalists. One of the finalists was dropped from consideration because they didn’t have an estimating module.

“The Encompix system seemed easiest to understand,” said Lebot. “Even from the first demo, we got a good idea how the data

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flowed throughout the system. Some other systems we evaluated were too complex.”

GL&V signed a contract with Encompix in August 2000.

“The core Encompix system fitted the way we conduct business” said Lebot. “As each job is unique, new bills of materials and routings are created every time. We are looking to streamline our processes and reduce the time taken to create BOMs and routings.”

Strong estimating and quotation capabilities were another reason for Encompix’s selection.



“In our business we have to respond quickly to many RFQs [requests for quotation]” said Lebot. “It is essential that the original estimate is tracked throughout the system. This is a strong feature of the Encompix software.”

In common with many companies, GL&V now outsources a lot of its manufacturing. “We now have only three manufacturing sites and much of the work is now outsourced,” said Lebot. “We liked the features in Encompix that support subcontracting.”

Crucial to the overall success of an ERP project is the relationship between the manufacturer and software vendor.

“The major deciding factor was the

communication and relationship with the people from Encompix,” said Lebot. “They were there to listen to us. It was a refreshing change compared to our previous supplier. We talked to three Encompix customers before making the decision. We wanted to know how they were using the system and how the implementation went. All of them were satisfied with their decision, which gave us extra confidence that we were making the right choice.”

### Three Month Implementation

“We signed the contract in August 2000, and started the training in our first two sites simultaneously at the end of August,” said Lebot. “One of the sites is our largest subsidiary in Nashua, NH. We didn’t want

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the first site to be the largest implementing the new software. So we started with the Hudson Falls location, which went live over Thanksgiving of 2000. Then the site in Vancouver, WA, went live the following April and the Nashua site on June 1<sup>st</sup>.”

Currently GL&V has 120 users running Encompix on an NT platform. The company uses all the core modules, and in the second phase plans to implement Advanced Planning and Scheduling, F9 for financial reporting and BOMLink for CAD integration.



### Benefits of Integration

Because all of the systems are now integrated, GL&V has improved visibility and tracking of jobs, especially in the area of monitoring actual costs against the original estimate.

According to Lebot, “The biggest benefit is having everyone running off the same system and standardizing the information. When there are different systems, everyone does their own thing.”

### Vision for the Future

GL&V plans to implement three more sites in North America by spring of 2002, and then consider implementation at GL&V’s larger overseas facilities in Finland, Sweden, Germany and South Africa.

“During the next phase we want to concentrate on reducing lead times and improving customer service,” said Lebot. “We are considering the Encompix WebCenter product to enable us to provide our customers with visibility of the status of their jobs via the Internet. Our ultimate goal is to exchange information and provide better service to our customers,” concluded Lebot.



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