



Anest Iwata Air Engineering

Leverages LBSi to Make Impressive Inventory and Product Gains with SAP Business One

About Anest Iwata Air Engineering

Anest Iwata Air Engineering, a North American subsidiary of the Anest Iwata Corporation of Japan, is a leading manufacturer of painting equipment, turnkey coating systems, air compressors, and high-end dry vacuum pumps.

Anest Iwata Air Engineering (Anest Iwata) custom builds most of the products they sell, and because their customer base – laboratories, hospitals, food-handling businesses, and the like – have exacting demands for clean-air processes, they trust Anest Iwata.

Before LBSi

Anest Iwata offers numerous product configurations to a broad customer base. They receive the core of each machine (the compressor) from their parent company in Japan, add domestically sourced custom components, then ship the unique products to customers. “We purchase nearly everything,” explained the accounting manager at Anest Iwata. “That includes sheet metal, plumbing, wiring, tanks, and more from over 250 U.S.-based vendors.” Each product can have up to 15 different sub-assemblies, which makes inventory tracking complex and highly affects Anest Iwata’s profitability.

For several years, Anest Iwata attempted to perform production and inventory management with an Exact Macola ERP solution, but it didn’t offer the control they needed. “I don’t know if we had it set up wrong or were just using it incorrectly,” said a staff member, “but we were experiencing major inventory issues and struggled to perform month-end closings.” In fact, it wasn’t uncommon for Anest Iwata’s accounting team to make a manual adjustment of \$15,000 to \$20,000 against inventory at the end of the month.

Regarding inventory waste, one other inventory control issue was costing Anest Iwata: because their Macola implementation lacked granular control, nearly everybody in the company could submit a purchase order and unused inventory was crowding shelf space and the balance sheet.

By mid-2016, Anest Iwata’s management recognized the need for a new ERP system. “We needed to find a solution that managed inventory and production better and centralized authority for approving purchase order requests,” stated one account manager.



“LBSI was great. They were easy to work with, always available, and warmly professional.”



Selecting SAP Business One & LBSI

Anest Iwata established a four-person team to evaluate the best solution for the level of inventory, production, and purchase order management they required. The team included accounting, executive, sales and production teams.

After evaluating and piloting two leading midmarket ERP solutions, Macola 10 and SAP Business One (SAP B1), the Anest Iwata team chose SAP Business One as their new ERP. “We just liked a lot of the features with SAP Business One more than those in Macola 10,” explained the team. “It was a lot more user-friendly, and the incorporation of CRM was a big plus for us, because we could put all our sales information into the system.”

Explaining and demonstrating SAP Business One to Anest Iwata was LBSI, a SAP Business One partner since 2004. Because of their in-depth experience with SAP Business One, LBSI had developed their own advanced manufacturing management add-on for Business One, which Anest Iwata piloted and decided to include in their ERP purchase.

LBSI Makes SAP Business One Implementation Easier

Anest Iwata assigned part of the selection team to lead the SAP Business One implementation alongside LBSI. To maximize the value of the new ERP system, the team wanted to input three years of item history. “Having the history of those 5,000 items would make planning far more accurate,” they explained.

Fortunately, LBSI provided a method to extract information from the legacy system and import it into SAP B1. “We were able to copy and paste the extracted data into a spreadsheet rather than having to go through each screen looking for an item, changing it, going to another item, changing it, etc. Instead, we could just copy and paste item data all the way down.”

The expertise of LBSI and their attention to detail served Anest Iwata well throughout the implementation. The project team at Anest Iwata was pleased with LBSI on multiple fronts, including:

- The availability of a team of professionals, not just one individual
- In-depth understanding of SAP Business One software
- Practical knowledge of all SAP Business One capabilities
- Rapid response to Anest Iwata’s needs
- Willingness to roll up their sleeves and jump in to help (i.e., with data conversion, creating workflows, etc.)



When asked if LBSI stood out for software knowledge, SAP Business One implementation experience, or general professionalism, Anest Iwata replied: “All of the above, but mostly they understand the system. With our previous system, the consultant may have understood the system but not enough to discern why it wasn’t working for us. By contrast, if there’s ever an issue, LBSI digs in until they figure out the cause.”



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Replacing Manual Processes with Automation

Since working with LBSi to implement SAP Business One, Anest Iwata has succeeded in rectifying their two major concerns in inventory and production management.

On the inventory management side, Anest Iwata can now run a standard report to determine which items they need to arrive at the appropriate level of item-specific safety stock. When accounting runs the report, SAP Business One automatically reviews the safety stock values established in the system, creates a “Buy” list, and account can check off the items they want added. From there, the system automatically creates the associated purchase orders.

The accounting team also highlighted the time and resource savings introduced by Business One. “Instead of having to go through individual items and create a purchase order, the software does it for us,” she elaborated. “If we have ten items we need from one vendor, the system will create a P.O. for all ten automatically. It’s taking the time out of the process.”

Regarding improved production management, Anest Iwata has seen their production planning mistakes shrink to virtually zero. Before using SAP Business One, manual data input errors surrounding complex products with 10-15 assemblies would sometimes lead to ordering and production of a wrong assembly. Not only would that assembly sit in Anest Iwata’s limited inventory space for a long time, production time for the correct order would be delayed until the right assembly components were ordered and delivered. “Since most of what we do is custom, SAP Business One’s accuracy improves our ability to deliver on time for each order.”

Quantifiable Benefits of SAP B1 through LBSi

The time savings and improved accuracy delivered by SAP Business One are extremely impressive. In just one year according to the team at Anest Iwata, they have increased productivity by 40% and reduced inventory by 22%. “Imagine that. Just by controlling our purchasing process a little better over a six-month period, we cut inventory by 22%.”

In addition, month-end closing is now breeze for Anest Iwata – gone are the days of \$15,000 adjustments to inventory. In fact, no adjustments have been necessary since the second month of implementation.



- **40% increase in productivity**
- **22% reduction in inventory**

Future of SAP B1 via LBSi at Anest Iwata

LBSi has already identified new areas where Anest Iwata can extract more value from SAP B1 in the future. In fact, optimizing bin management and better visualizing production routing are two areas that seem to be likely targets in the near term. “We’ll definitely look to LBSi when we tackle those processes,” said the accounting team. “They’ve proven they can make SAP Business One work the way we need it to.”

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