

Armstrong International increases operational efficiencies with IFS



Armstrong implemented IFS in 2008 and there have been many advances in enterprise applications since then. Leveraging IFS and other systems, the company has evolved its technology strategy into the global Armstrong Business Suite, with IFS firmly in place as its anchor for Order to Cash and Procure to Pay business flows.

The initial IFS implementation was deployed at Armstrong's European manufacturing headquarters in Herstal, Belgium, expanding to an additional three sites over the following 18 months. The company had been running multiple ERP systems across various divisions, but subsequently united its locations in North America, Europe, China, Korea, and India on a single instance of IFS.

Inadequate legacy systems

In 2008, Armstrong had four different ERP and materials requirements planning (MRP) applications running at three locations—with no data sharing.

Armstrong needed to support a lot of intracompany transactions, with each location operating as a full manufacturing facility. Planners on staff operate in make to order (MTO) and make to stock (MTS). A subassembly could be built in China, then sent to the US in bulk, with the final project occurring in the US. Aligning all divisions on a single instance of ERP was imperative.

"We were not running as efficiently as we could. There was a desire to become a more closely tied global company," stated Kurt Armstrong, CEO, Armstrong International. "We had customized our MRP solution to meet our every need. It got to the point where the solution was so customized that we could not take the next release."

About Armstrong International

Armstrong International provides intelligent system solutions that improve utility performance, lower energy consumption, and reduce environmental emissions. As the industry's leading thermal utility partner, Armstrong International can satisfy unique requirements while helping to improve efficiency and reduce energy consumption and emissions.

The fifth-generation, family-owned business provides hardworking products, state-of-the-art technology, custom-engineered systems, services, and more than a century of knowledge and experience – all organized with industry specificity. Founded in 1900, Armstrong International is headquartered in the United States, with manufacturing, sales and seminar centers located throughout the Americas, EMEA and Asia.

www.armstronginternational.com



The company also faced a lot of heavy lifting to implement the multi-currency and multi-language features it needed.

“In general, as a company we started to get more globalized,” stated Joe Letizia, Global Director of IT at Armstrong. “With IFS, operations became connected, quickly bringing our people and our data together.”

Armstrong considered technology from SAP, IFS, ABAS and Infor Global Solutions during the evaluation process. IFS was selected for its simplicity and ability to handle all of Armstrong’s needs, today and into the future.

Armstrong today

In the intervening years, Armstrong stood up a steering team that developed the Armstrong Global Business System, a collection of best-in-class solutions and services.

Within the suite, IFS provides critical capabilities in the management and sharing of master data for data entry and other workflows. For example, the business flow begins with a CRM customer opportunity, when this opportunity is quoted and approved, it is converted to a customer order in the Armstrong CPQ. This then triggers the customer data to flow into the enterprise customer master and order management tables within IFS. This ensures the continuity of the data without the potential for human error, serving cloud and on-premises applications within Armstrong’s hybrid enterprise environment.

“IFS has allowed us to get closer to our customers because we can tie our activities closer to our CRM information,” stated Kurt Armstrong. “We are more knowledgeable about our customers. If a customer asks us to expedite their shipment, we pull information very quickly and break it down by product categories or even on a more granular level. We swiftly address any concerns they may have and take informed action. We provide those tools to all of our sales offices and sales people on the road.”

The silver tsunami

Armstrong wanted to prepare for an imminent talent shortfall due to attrition, with a large percentage of employees set to retire. Standing up a global order system was a critical requirement to offset the loss of subject matter experts and ensure a single operating standard across all employees.

Ultimately, the company lost about 30% of its order entry people with the wave beginning in Europe and intensifying in America.

Armstrong relied on IFS and the rest of the global business system to unify how each division managed and processed orders to optimize uptime during the transition.

Today, all financial information from the global order system is maintained in IFS, including the consolidation of financial statements. With so many different divisions, all profit and loss records must be maintained to generate a single set of financial statements.

Benefits seen using IFS

- Centralized order management system
- Accurate, real-time data
- Profitable services offerings
- Consolidated financials across divisions

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Kurt Armstrong, CEO, Armstrong International

New service models

The company has introduced new services for some of its customers. For example, in the Americas, EMEA, and Asia, teams of Armstrong employees work on-site at customer locations to support the efficient use of steam, hot water, and humidification. One example is the use of high-quality steam for sterilization and other cleanroom processes.

The Armstrong teams share their expertise in the thermal utility space while overseeing maintenance activities such as repairs, break fix, or preventive maintenance.

Armstrong relies on IFS to ensure its profitability objectives are met. The teams use IFS to store objects, the relationships between objects, serial numbers, vendors, and other data. All onsite purchasing is done via IFS instances that are shared globally.

IFS is also central to the decarbonization services Armstrong provides to its customers. The company uses IFS to build out the project, make recommendations, and log engineering time which is offset against the project.

Into the future

Today Armstrong is investigating the potential to move to IFS Cloud, reviewing the economics to host more of its Business Systems in the cloud. The transition will support a smaller yet more scalable data center with the expenditure model shifting from CapEx to OpEx.

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Find out more

Further information contact your local IFS office or visit our web site, ifs.com

