

ERP IMPLEMENTATION CASE STUDY

HOW LANGSTON COMPANIES IS MOVING INTO THE FUTURE

WITHOUT LOSING **THE PERSONAL TOUCH**



TABLE OF CONTENTS

- 01** Introduction
- 02** The Drivers for Implementing ERP
- 06** A Partnership With abas
- 08** View From Stage 3: Challenges and Solutions
- 11** Key Features



LEADERS AT LANGSTON COMPANIES INC. HAVE WORKED ALONGSIDE ABAS ERP TO ENGINEER A MODERN ERP SYSTEM.

Introduction

At a manufacturing plant in West Memphis, Arkansas, just west of the Mississippi River, an ERP software implementation is underway. Over the past year and a half, leaders at Langston Companies Inc., a family-owned bag and packaging manufacturer, have worked alongside their abas ERP implementation team to engineer a modern ERP system that will carry its traditional manufacturing operations into the 21st century.



Brad Sexton
Sales Manager,
Langston Companies



Edward Langston
General Manager of Multiwall Division,
Langston Companies



Jim Harris
CFO and Project Manager
for ERP implementation,
Langston Companies

Meet Langston Companies Inc.

Founded in 1946 by Forrest Byron Langston, known to friends and family as Rudy, Langston Companies began its legacy in a 5,000-square-foot building across the Mississippi River in Memphis.

Today, Langston still operates the original Memphis plant, but it has expanded significantly over the years across the United States and Mexico. It now runs a major West Memphis plant focused on production of multiwall bags, which accounts for 40 percent of its total business, as well as six other facilities that produce products for the US cotton industry, module covers and FIBC bulk bags. You may not have known it, but chances are you've used one of Langston's multiwall paper bags — they house a huge array of consumer products sold at grocery stores and big box stores across the country, including flour, sugar, rice, charcoal, cat litter and dog food, just to name a few.

Langston has a strong focus on customer relationships, something that sets it apart from its competition.

“In a marketplace defined by better, faster, cheaper, more efficient, the customer can get lost in that,” said Edward Langston, GM of the Multiwall Division at Langston.
“Even as we grow, people are still our top priority.”

Meet the abas Team

abas put some of its most experienced consultants on the Langston implementation project to ensure a successful outcome. The key team members included:

- Brady Stephenson
Project Manager and Senior Logistics Consultant, abas USA
- Steveny Telfort
Senior Finance Consultant, abas USA
- Adam McIntosh
Senior Technical Consultant, abas USA
- Basil Shah
Team Leader, and now Senior Sales Manager, abas USA

Meet the Langston Implementation Team

- Jim Harris
Chief Financial Officer and Project Manager for ERP implementation, Langston Companies
- Brad Sexton
Sales Manager, Langston Companies
- Edward Langston
General Manager of Multiwall Division, Langston Companies
- Mike Belote
Operations Manager, Langston Companies
- Lisa Brown
Project Coordinator, Langston Companies



"WE HAVE TO KEEP INNOVATING AND KEEP TAKING ON NEW CHALLENGES, NEW MARKETS. THINGS ARE CHANGING AROUND US FASTER THAN EVER."

Edward Langston
General Manager of Multiwall Division,
Langston Companies

The Drivers for Implementing ERP

From the outset, Langston's goals for the implementation were clear:

"As a company, we've been around for over 70 years," said Edward Langston, GM of Langston's multiwall division. "We're proud of where we come from, but we don't presume that that's a recipe for success. We have to keep innovating and keep taking on new challenges, new markets. Things are changing around us faster than ever. Even though we've been successful, we still need to innovate and find new, better ways to do things, and we hope that this implementation will be a part of that."

With smart growth in mind, it set the following goals for their ERP implementation:

Gain Real-Time Visibility Into Crucial Data

In deciding to implement an ERP system, Langston's top priority was to have a more direct line of sight into its financial, operational and production data — knowing costs, spotting problems early, identifying where variances are occurring.

"When you have an older system, you tend to make a lot of broad brush estimates," said Jim Harris, Langston's CFO. "Factors are always changing. We needed better data on costs, inventory and raw materials, the ability to make better decisions."

With Langston's old system, the data was all there, but they lacked the ability to access it efficiently.

Efficiency and service in bag manufacturing depends heavily on forecasts for commodity prices and yield estimates in the farming sector. For example, a bountiful or scant projected cotton harvest dictates production demand. If Langston can't closely monitor and quickly adjust production as needed, it runs the risk of overstocking - or worse, coming up short and sending customers to its competition.

Better data was also the priority for Debbie, part of Langston's customer service team.

"The main thing I need is to be able to see real-time inventory, being able to check and see if Langston has the materials to run a job right now." Debbie said.



"WE WANTED TO BE ABLE TO BE MORE PROACTIVE IN UNDERSTANDING OUR CUSTOMERS' PURCHASING NEEDS."

Lisa Brown
Project Coordinator
Langston Companies

Improve Strategic Decision Making

Another key driver for Langston's decision to adopt ERP was the need for company-wide strategic decision making. Langston executives felt held back using disparate systems and manual processes across the company's many facilities.

For example, in order for an inventory manager at the company's Texas branch to request out-of-stock materials from its Arizona plant, Arizona needed to effectively sell the materials to Texas as it would finished products to a customer, including creating a work order. Langston wanted its inventories available as a unified resource to better serve the business as a whole, even when it was separated by hundreds of miles.

Langston's strategic vision includes expanding into new markets, incorporating robotics into its production lines, developing print stock and warehousing services for customers, and experimenting with alternative packaging

materials. Langston executives recognized that accomplishing these ambitious goals requires an ERP system that can not only meet their needs today, but grow and change with them into the future.

Enhance Traceability Through Lot Control

Since the introduction of the Food and Drug Administration Modernization Act in 1997, the federal government has classified packaging materials in the food and beverage sector as food-contact substances — for all intents and purposes, an ingredient to the food the package contains.

For a company like Langston, this was a significant change, one that calls for the adoption of advanced lot control to trace bag-making materials through the supply chain, document incoming and outgoing goods, and protect downstream partners and end users. Langston needed an ERP system to support that effort by providing traceability for all of its products.



ONE OF THE GOALS OF THE ERP IMPLEMENTATION IS TO MODERNIZE AND DIGITIZE PROCESSES, SUCH AS THIS SHIPPING-PLANING BOARD.

Increase Accuracy

“Anytime you have to do a transaction twice, you risk making a mistake,” said Langston’s CFO, Jim. “When you only do it once, it’ll always match.”

With the accuracy goal in mind, Jim wanted the new ERP system to have multi-site, multi-company functionality that gave the ability for a user to, with a single stroke, complete transactions in multiple systems.

Purchasing is another area where improved accuracy was a priority.

“We wanted to be able to determine customer order patterns, being able to predict better and be more proactive in understanding our customers’ purchasing needs,” said Langston’s

project coordinator, Lisa Brown. “It will help better manage inventory and prepare for seasonality.”

Get More Out of Supplier Relationships

Improved supplier relationship management was another ERP opportunity for Langston. It relies on several key outsourced materials, such as kraft paper, which is used in all of its paper bags, as well as pellets of resin used to make woven plastic bags and steel used in cotton bale wire ties.

These supply chain dependencies expose Langston to greater market volatility, but also provide it with strategic opportunities if managed well. Better reporting through ERP could help Langston actively manage supplier relationships and leverage its purchasing power.

"ABAS SEEMED MORE MODERN, A NEWER OFFERING WITH BETTER UI, MORE MODERN DEVELOPMENTS AND ENHANCEMENTS."

Edward Langston
General Manager of Multiwall Division,
Langston Companies

A Partnership With abas

Langston put its trust in abas ERP for several key reasons related to both the software and the abas team.

Organizational Fit

Langston's selection team saw the relative organization sizes of abas and Langston as a major advantage in the ERP selection.

"We didn't want to be a small fish in a big pond," Brad said.

Unlike with some of the massive ERP companies like Microsoft or SAP, with abas, Langston would be among the company's larger clients, ensuring them access to some of abas' senior-most experts for proof-of-concept demos, process improvement consulting, implementation and training.

But Langston decision makers also felt they didn't need to worry about the software being undersized, a concern they had with other smaller vendors on the market.

Modern ERP System

Another reason abas stood out was because of its modern user interface, browser-based Web UI and mobile apps, such as mobile CRM, which allows sales reps to access their prospect data, create new sales orders and provide quotes.

"abas seemed more modern, a newer offering with better UI, more modern developments and enhancements," Edward said. "abas is continuously updating the software, as opposed to other vendors which aren't, investing in technologies like cloud, mobile and IoT."

No Third Party or VARs

The direct support the abas team provides to Langston was another deciding factor for the selection team. The entire implementation process, including pre-sales, implementation, support and upgrades is handled by in-house abas staff, as opposed to outsourcing to VARs or resellers as most ERP vendors do. This unique aspect of abas shows the company's dedication to its customers and the Langston project specifically.

"Transformational changes will be more straightforward with abas than with a company that uses a lot of third parties." Edward said. "The functionality isn't piecemealed together from outside vendors. Pretty much everything is developed and executed completely by abas."



"WHEN SOMEONE CALLS, ABAS CAN PULL UP YOUR RECORD RIGHT AWAY TO GIVE THE PERSON REAL-TIME DATA."

Brad Sexton
Sales Manager,
Langston Companies

Architecture and Upgradability

From a more technical perspective, abas ERP's upgrade-friendly architecture played an important role in Langston's decision. The software's multi-tiered architecture, which separates the core hardware and kernel from standard and customer user interface, allows for upgrades from older versions of the software. This means that as business processes change that require mapping to the ERP system, the number of external service days are lower with abas than other ERP systems. In addition, at the time of upgrading there's no need to rewrite previously developed custom programs, screens, and reports in an older version.

Eye on Future Trends

"We want to be future proof," Edward said. He described problems with Langston's legacy accounting and inventory management systems that are no longer supported or that don't integrate well between and within business units. The selection team saw abas' focus on

preparing for future trends like robotics, IoT, mobile, and digitization and felt it was a good fit. But equally important was that despite all of the changes brought about by ERP, that Langston would be able to maintain its culture of keeping things personal.

"The goal of ERP is to free up your people to have more personal interactions with customers, there should be even more of a personal touch" Brad said, and he sees how abas can help them achieve this. "When someone calls, abas can pull up your record right away to give the person real-time data. This allows us to provide better customer service, phenomenal customer service."

Multi-Company Structure

Because of Langston's spread-out geography and goals of improved data transparency across locations, abas' support of multi-company and multi-site functionality was crucial.

"This is working well in abas because it's invisible to the user on the UI side," Jim said.



View From Stage 3: Challenges and Solutions

At time of writing, Langston and abas are about to meet for their second simulation, “Sim 2” with a tentative go-live date coming in a few months.

Simulations are an opportunity for users to set up, test and experiment with software functionality — to find out what’s working, what’s not and what needs a little fine-tuning. As Langston and abas team members rolled up their sleeves and got to work, they discovered a few challenges — some typical to the ERP implementation process, others unique to this project:

Data Migration

“So far, the hardest part has been merging the data, getting all of the calculations correct. You have to think out of the box to do it,” said Mike Belote, Langston’s operations manager. On the Langston project, some parts of the migration were particularly complex, for example, the migration of legacy Bills of Material costing data into abas.

Mike and other Langston employees described the challenge of migration not just in terms of the extraction and uploading of the data itself, but also the change in their way of thinking about the system and accessing the data compared to their older way of doing it.

“It took some time to understand how to look at the data from a different viewpoint,” Mike said.

Data migration is a challenge on all implementation projects, but the abas team has developed a methodology that gives the customer access to tools that help them

migrate the data, such as the Company Sync functionality, that allows for ease of standardization. To make this stage easier, abas works closely with the customer every step of the way until they are able to maintain the system on their own.

Unique Specifications Require a Custom Configurator

All businesses have unique aspects of their production processes that need to be considered when starting an ERP implementation, and Langston was no different.

“Langston has 6,000 different unique factors and materials that go into customizing a single multiwall bag, including different printing processes,” Mike said.

These 6,000 variables and their related dependencies posed a challenge for the team when it came to the configurator Langston would need. Their previous configurator was a set of hard coded indexes and tables.



LANGSTON WANTED AN INTERNALLY FOCUSED ENGINEERING CONFIGURATOR FOR CONFIGURING THE MANY OPTIONS AVAILABLE FOR ITS PRODUCTS.

“We wanted something simpler to use,” Mike said. They needed a tool that would allow employees to quickly and accurately map out bag design specifications according to client needs.

The configurator that comes standard with abas is the type many manufacturers provide to customers directly through their Websites for selecting the options and associated values they want in their products. But Langston’s vision for the tool was different. Langston wanted an internally focused engineering configurator for configuring the many options available for its products.

Senior Technical Consultant Adam McIntosh lead the effort to develop the custom configurator that Langston needed.

“Developing the configurator for Langston was a challenging but fun experience,” Adam said.

After collaboration with Mike, Jim and Brady, the configurator quickly became a useable tool for new bag quoting and development. It was designed in a way that allows Langston to purchase raw materials its has never used before and have those resources available immediately in the configuration process. It allows the Langston team to tweak operation times and see that reflected to get truly accurate bills of material and operation times for new bags.

“Working with Mike and Jim was a great experience, and the knowledge they were able to convey made building the configurator that much easier,” Adam said.

Learning Curves and Engagement

Most of the Langston employees on the implementation team had never worked on a full-scale end-to-end ERP system before.

“We didn’t even know what the letters E-R-P stood for,” said one of the West Memphis employees.

One user said she found that abas had an overwhelming the number of features, functions and infosystems.

“There are 4 or 5 different ways to approach any problem or report you want to generate,” she said. “Every day that I look at it, I’m always finding something new, something I can do with the push of a button.”

In addition, some were nervous at the start because of stories they’d heard from their customers or others in the industry about implementations gone badly, overrunning budget, or becoming excessively complex. Their fears aren’t completely unjustified. According to projections from Gartner, 9 out of every 10 ERP implementations in 2018 will fall outside of scope, bloat project budget allocations

A typical implementation timeline



and suffer from some disarray because of resourcing issues or incomplete strategies going in.

The abas team is well aware of the potential pitfalls of ERP implementations and takes a different approach, relying on a proven implementation methodology (see diagram, below), and prioritizing education and user engagement. In Langston's case, it offered frequent in-person as well as remote training sessions and created detailed "scenario" exercises for users to test their abilities and understanding of the system.

Overcoming the new ERP users' learning curve is an ongoing challenge that will continue throughout implementation and beyond. Once Langston's system is live, Langston employees will begin working with the abas support team and have access to a variety of online and in-person training courses to continue their learning and optimize of their use of the system.

Mid-Implementation Upgrades

Because the Langston implementation is complex and taking place over the course of many months, the team had a unique technical challenge to address: new abas ERP versions were released mid-implementation with important features for Langston. Normally in an on-premise ERP implementation, the version of the software purchased at the time of the deal is the version installed, and upgrades are completed later, after go-live. But in Langston's case, the new versions contained critical features, and a strategic decision was made to

upgrade Langston's entire system to the newer version midstream. While the decision meant extra work, both parties agreed that the long-term payoff of the new features was worth the short-term pain of the upgrades.

Role of Strong Leadership

One key advantage Langston has in its favor is strong leadership. In addition to the clear vision that the management team has for the company's future, it has its CFO, Jim, leading the implementation from the Langston side. Having worked on multiple ERP implementations at other companies, Jim is well versed in ERP systems and has been rallying the Langston stakeholders to keep the project on track.

"Jim has the product, company and technical knowledge to make this a success. He is the project champion, and has been the key driver from Langston of the implementation," said Basil Shah, the team leader from abas.

But Jim is not only the project champion. He is also relentless in looking for weaknesses or issues with the software and the implementation, to ensure ultimate success for the project.

"It's important to work on what's not working," Jim said.

Some of the issues he's brought up have been concerns with the way units are stored in abas and the reporting features in the production mobile app. But overall, Jim is optimistic and says, "confidence is improving all of the time."



Key Features

Langston Companies' ERP system will include the following key features:

Engineering Configurator

The engineering configurator was new functionality, built to Langston's exact needs and allows employees to quickly and accurately map out bag design specifications according to client needs.

Mobile Apps

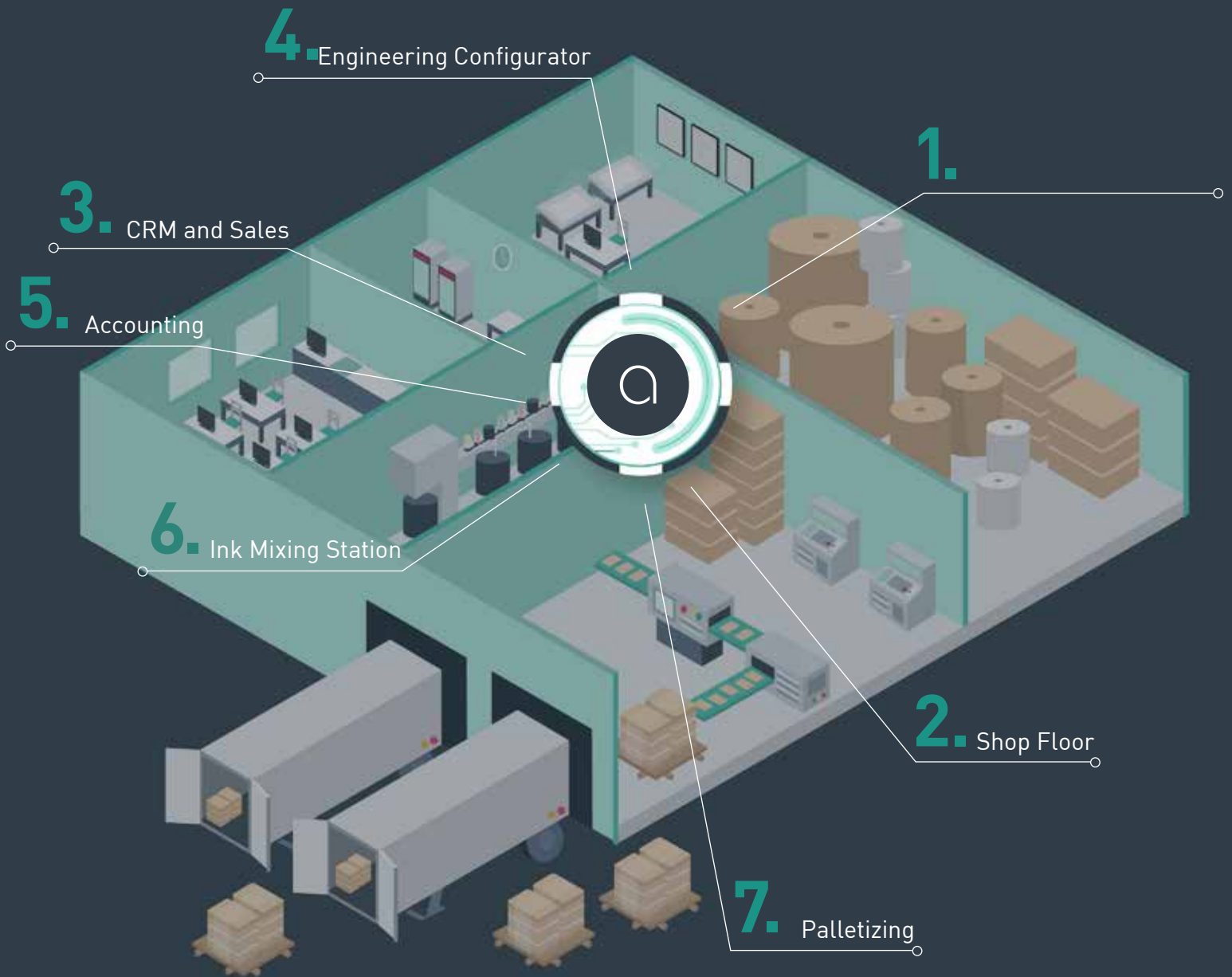
Langston is adding mobile terminals scattered across the shop floor for real-time production reporting and time clock functionality. It also plans to use mobile Customer Relationship Management (CRM).

Simcron

Simcron is a modern, data-driven approach to advanced planning and scheduling. It will give Langston users the opportunity to run simulations based on production deadlines, current inventory levels and machine capacities in order to better organize schedules, enhance predictability and avoid procurement waste.

Multi-Site Master Sync

Data at Langston Companies (without abas ERP) currently updates on a 24-hour cycle, which prevents them from initiating timely responses. With multisite mapping and master data synchronization, all users can update information anywhere in their ERP software and have it immediately refresh everywhere else.



The Langston of Tomorrow

What will Langston be like after the abas ERP implementation is complete?
Take a look at the Langston of tomorrow:

1. Inventory Management

With greater transparency into how it procures and expends its raw materials, Langston can keep its inventory costs tight.

Multi-site master sync will grant users real-time tallies of what's in stock and notify the proper stakeholders when critical materials are running low.



2. Shop Floor

Langston Companies plans to support its production teams by deploying time clock functionality through shared mobile terminals. What does this mean for line workers? They will be able to track progress on their tasks accurately and intuitively as well as generate valuable data on completions, rework and scrap for later analysis. Plus, operators and other users can clock in and out more quickly.

3. CRM and Sales

Langston Companies puts its customers first. An integrated CRM will allow the sales department to search for customers according to several different parameters, capture valuable data in a safe location, generate quotes immediately, create sales orders that sync up with other functionality across the abas ERP platform and predict customer ordering patterns based on past work orders.

4. Engineering Configurator

How does a customer's vision for a multiwall bag, made up of a multitude of components and elements, become a reality? A customer configurator built specifically for Langston Companies, will accelerate the quoting process for new businesses, cut down on operational hurdles during development, and assist users as they plot out BoMs and lead times for their latest bag projects.

5. Accounting

As the company considers expending capital on long-term investments, like new equipment, automation or the Internet of Things, the leadership team will have full insight into all financial data and can use it to its fullest potential thanks to abas ERP's master sync, multi company consolidation and BI Integration.

6. Ink-Mixing Station

Langston Companies prides itself on designing and printing head-turning branded bags. But inks are difficult to manage — certain colors exhaust faster than others, settle faster than others, contain insect growth regulators, glosses, etc. By running ink-mixing processes through an advanced ERP system, Langston Companies stands to retain more resources, avoid unnecessary work, and track the shelf life of its pigments, bases and additives.

7. Palletizing

Safe transportation of finished goods first requires an organized, careful palletizing, a process Langston Companies carries out with help from a high-capacity palletizer. With assistance from a mobile terminal at the palletizing station, workers can double check finished products against work orders and ensure successful deliveries to clients.

ERP implementations are serious undertakings that challenge companies to band together, reexamine their goals, and make monumental changes to how they imagine themselves in their industries. But the gains of a successful implementation far outweigh the short-term pains. abas USA is looking forward to being Langston's partner as they pursue their vision for their company's future.

© abas USA
Created: October 2017
Subject to change

ABAS USA, INC
45999 Center Oak Plaza
Suite 150
Sterling, VA 20166
USA

info@abas-usa.com
www.abas-erp.com

BUSINESS SOFTWARE TO HELP YOU GROW.
FROM OUR PEOPLE TO YOURS



abas USA



@abasUSA



abas-USA

abas  ERP