LASKO

" Upgrading to QAD Enterprise Edition (EE) has positioned Lasko for the future."

Raafat Mikhail, Director, Information Technology, Lasko

LONG TERM QAD ERP CUSTOMER MEETS THE FUTURE HEAD ON WITH UPGRADE TO ENTERPRISE EDITION (EE)

THE COMPANY: LASKO PRODUCTS

Lasko Products, Inc. manufactures and distributes electric fans and ceramic heaters to major retailers

HIGHLIGHTS	
Company	Lasko Products
Headquarters	West Chester, PA
Industry	Consumer Products
Products	Electric Fans and Ceramic Heaters
Solutions Utilized	QAD Enterprise Applications Enterprise Edition (EE)

throughout the United States and Canada. The company has been engineering and building home comfort products for more than 100 years and is the market leader in the highly competitive North American market.

The company has four manufacturing and distribution sites, employing more than 1,000 employees. Lasko manufactures domestically and overseas.

Lasko Metal Products was founded in 1906 by Mr. Henry Lasko in Philadelphia, Pennsylvania. Over the years, the product line has adapted to capture changing consumer needs as the company has grown.

THE CHALLENGE: AN AGING ERP SYSTEM BRINGS THE COMPANY TO A CROSSROADS

Lasko operates in an extremely competitive marketplace with up to 10 other companies manufacturing and distributing electric fans and ceramic heaters to all major retailers across the country. As a result of producing such seasonal products, Lasko incurs a great deal of risk as they have to manufacture and stockpile inventory throughout the year before knowing if the temperature patterns will generate demand for their short selling period. A cool summer or warm winter

can result in massive inventories languishing in their warehouses.

In addition to the volatility of the seasons, Lasko has to deal with the specific compliance requirements of each major retailer on quality, packaging, labeling and routing — and the retailers are very price sensitive.

"We compete on the value and quality we provide the retailers," comments Raafat Mikhail, Director, Information Technology. "They look for savings but will not sacrifice quality. We need to be as efficient

and up-to-date across the whole company to remain the leader in our market."

"Each year we work to make our products fresh to the market with styling and functionality to differentiate our product from competitors while keeping the quality up and the cost low," continues Mikhail. "This all requires very careful planning, scheduling and inventory management which is best enabled with up-to-date technology."

"We keep a huge inventory in our plants until the season's demand is clear. This means we are assuming significant inventory risk which makes the inventory management system even more important."

Lasko has been operating on a QAD ERP system for almost 20 years and has upgraded several times. Their last upgrade was several years ago to QAD Enterprise Applications Standard Edition (SE).

"We attended Explore and our regional user group, and heard about the new functionality in QAD Enterprise Applications Enterprise Edition (EE)," remarks Mikhail. "We realized we were technically behind the current capabilities of EE, including inventory management, financials and reporting. After looking at QAD's future direction we started mapping out our future direction with technology and systems perspectives and decided to begin investigating an upgrade to QAD EE."

THE SOLUTION: UPGRADING TO EE IS THE RIGHT CHOICE FOR A CONTINUOUS IMPROVEMENT STRATEGY

Lasko reached out to QAD to begin informal discussions to determine where opportunities

MULTIPLE DATABASES CONSOLIDATED
INTO ONE MASTER

OPTIMIZED
20 YEARS OF DATA

existed and how to best proceed. QAD consultants met with Lasko several times to discuss the capabilities of EE in detail, how it would benefit Lasko, and what the upgrade process would include.

"We quickly knew upgrading to EE would be beneficial to us but we had several questions about upgrading that we wanted to answer before making the final determination," remarks Mikhail. "We wanted to take the step but it was a big step for us and we needed to make the most informed decision possible. This decision would have a long reaching effect on Lasko's future and we wanted to make sure we are doing the right thing in the right way."

Specific topics Lasko needed to discuss and resolve included:

- Data Migration – Lasko had 20 years of data and needed guidance about how to best approach data cleansing and multiple data migrations to one database.
- Multiple Customizations – Lasko's old system had many customizations. They needed to set out a process for determining which customizations would no longer be needed with the more sophisticated standard functionality in EE, how to determine which were still needed and how to best incorporate them into EE.
- Converting to a new financial system - From a functional perspective, the most significant change in Lasko's day-to-day business with the

upgrade would be to the financial system. It was important for Lasko to understand all the financial enhancements within EE.

"We worked with some excellent QAD consultants," notes Mikhail. "They helped answer our questions and better understand the process. With their collaboration, we were able to develop maps of where we currently were, where we want to be and how to get there."

"We are a very lean IT operation and this was a big undertaking for us," comments Mikhail. "We used QAD resources for information and guidance but we were able to do much of the heavy lifting from both IT and operational perspectives.

"After the testing we were ready to go live," adds Mikhail. "Of course we were nervous but it went very well. We did the change over during a weekend and there were only minor issues which were resolved quickly. There was no down time and everything was business as usual Monday morning, but with an up-to-date system."

"We relied a lot on knowledge transfer and training from QAD — it was really instrumental and key for us – The upgrade would not have been successful without it."

CUSTOMIZATIONS REDUCED BY 50%

THE BENEFITS: IMMEDIATE EFFECTS TAKE HOLD WITH FUTURE BENEFITS ON THE HORIZON

"We are only at the beginning of realizing the benefits of our upgrade to EE," notes Mikhail. "And now we are in a better position going forward with QAD."

"I don't think we will come to a point and say, 'we're done'. This upgrade to EE puts us in a better position to accept future upgrades and continue leveraging the functionalities offered. We did much of this in the initial rollout and we have plans to keep enhancing."

Immediate benefits Lasko has realized with the upgrade to EE include:

- The upgraded standard functionality in EE has enabled the elimination of at least 50 percent of the previous customizations
- General ledger reporting capabilities are much more robust
- Multiple databases have been consolidated into one master database

> " With this upgrade, we are positioning ourselves for a future of continuous improvement, as well as gaining benefits out of the product now."
>
> Raafat Mikhail, Director, Information Technology, Lasko

Lasko was recognized as the QAD Enterprise Applications Upgrade Customer of the Year – for their successful use of QAD tools to upgrade and take advantage of all that QAD has to offer. They improved key planning processes, practices and areas following industry best practices resulting in improved forecast accuracy and reduced excess inventory.

- Twenty years of data have been cleansed and realigned
- Finance has better capabilities and report generation has improved in ease of creation, content, accuracy and timing

Lasko has completed Phase 1 of their upgrade and are now in the planning stages of Phase 2 which will focus on:

- Demand Planning and Scheduling
- Streamlining — Automating sales and purchase orders within the organization through QAD Financial Shared Services (FSS)
- Enterprise Material Transfer (EMT) — The ability to translate sales orders into purchase orders automatically and transmit those purchase orders electronically using EDI eCommerce
- Supplier Price List

"We were at a crossroads in a sense. We had a system in place that we realized we'd had for too long," Mikhail concludes. "We had to make a decision — do we stay with QAD and move forward or do we move in a new direction? We took a deep dive into what our options are, what the marketplace is, what QAD's direction is and we made the decision that QAD continues to be the right system for us, the right path and the right partner."

"Our main goals are to ensure Lasko is optimized for the present and prepared for the future. This upgrade to EE and our ongoing relationship with QAD makes both of these goals a reality."

provide that kind of service internally as Amtico grows would have been a huge cost that we would not have been able to support."