

SYSPRO Software Puts More “Go” in Go-Kart Manufacturer

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■ The Company

Ken-Bar Manufacturing Co. is a North Georgia-based manufacturer and international distributor of go-karts and motorized recreational vehicles. The carts range from the 6-horsepower single rider S-356 model to the 13-horsepower two-person Frog Utility Vehicle. For 30 years, Ken-Bar has been making go-karts in sizes for both children and adults, for both utility and recreation. The machines are designed according not only to various safety specifications, but to a broad assortment of performance capacities as well. Engine size, drive chain, frame, tires and transmission all vary by model, and by customer.

“The SYSPRO system allows us to get better information on costing and forecasting. In the past, we couldn’t rely on the information. Now, we have a system that provides accurate data.”

-Bill Thomason
Controller, Ken-Bar Manufacturing

The growing popularity of these go-karts has resulted in an ever-increasing influx of orders at the Ken-Bar factory, but company management is now confident in its abilities to handle them on a timely basis.

■ The Challenge

In 1996, Ken-Bar realized that a new, stable accounting software system was necessary to refine business functions. By failing to allocate the correct amount of materials necessary to fill all orders, Ken-Bar calculated that their old system had cost them well over one million dollars in sales, a staggering amount when product prices start under \$1,000.

In addition to costing Ken-Bar money, the old system was also costing time -- reporting in the old system was time consuming and inefficient. MRP runs took anywhere from 12 to 18 hours!

After a detailed software search, Ken-Bar narrowed the choice to SYSPRO and one other solution. Originally, due to its lower initial price, the alternate system was selected. This choice proved to be a disastrous mistake, placing the company in a worse predicament. The system’s Bill of Materials module provided erroneous data, even to the point of miscalculating inventory. The system also overstated inventory in some departments and understated it in others. The product’s actual cost to Ken-Bar’s business proved to be significantly higher than its seemingly low price tag.

■ The Solution

Ken-Bar again entered the market for an ERP software solution that could lead them to leaner operations. Ultimately, SYSPRO was selected.

■ AT A GLANCE ■

COMPANY

Ken-Bar Manufacturing

INDUSTRY

Transportation Equipment Manufacturing

NUMBER OF EMPLOYEES

80

THE CHALLENGE

- Seasonal peaks in operations
- Narrow visibility into inventory
- Limited forecasting capabilities
- Excessive production costs
- \$1 million wasted in production/labor
- Adherence to safety restrictions
- Small-business ERP budget

SOLUTION & SERVICES

- Scalable to growing business
- Flexible with seasonal demand
- Fully-integrated system
- Receiving and inspection functionality
- Affordable solution

THE BENEFITS

- Increased operational efficiency
- Improved visibility into inventory
- Increased forecasting and costing ability
- 30% reduction in labor costs
- Reduced total production costs
- Improved accounting practices
- 12 hours gained management time
- 100% improvement in tracking ability



The SYSPRO solution offered Ken-Bar the most direct path to inventory visibility and control, which could cut the superfluous and wasteful costs plaguing the company during the recent growth. SYSPRO also gave Ken-Bar the tools to accurately forecast demand and to tune their facilities accordingly, enabling the tightening of both production operations and accounting.

■ The Result

After the switch to SYSPRO, Ken-Bar began to notice positive changes. The most stringent test of the system came with the first post-installation holiday season, when go-kart orders shot up. Ken-Bar was able to fill all the orders in a timely and highly efficient manner.

Since SYSPRO was installed, Ken-Bar has been able to accurately forecast go-kart production, thus reducing the likelihood of order fulfillment problems often experienced by seasonal companies. According to Controller Bill Thomason, "The SYSPRO system allows us to get better information on costing and forecasting. In the past, we couldn't rely on the information. Now, we have a system that provides accurate data."

The new system also resulted in dramatic labor savings. Thomason says, "We were able to reduce labor costs by about 30 percent due to forecasting abilities and a better work order system." In fact, during the first year, Ken-Bar realized estimated savings of more than \$500,000 in employment expenditures.

Ken-Bar's accounting department is also highly appreciative of the time savings it is experiencing as a result of the switch to SYSPRO. The time to complete an MRP run went down from more than a dozen hours with the old system to just 5 minutes. Employees actually look forward to the month end! According to Thomason, "We can do a month end in about an hour. Everyone can leave a little early that day." The staff can easily reference an account and get real time information, and Ken-Bar's cash projection has been drastically improved.

SYSPRO also facilitates accurate inventory tracking. "I can track anything from A to Z with this system. It is a 100% improvement from our last system," says Inventory Manager, Katerena Krunkleton.

Thanks to SYSPRO, all operations at Ken-Bar are now running smoothly. Higher productivity, lower required labor and a fully organized plant are just a few of the ways that SYSPRO has proven its worth to Ken-Bar. Ken-Bar owner and President, Ken Alexander sums it up in a few words, "SYSPRO does what it's supposed to do." Having previously dealt with two systems that failed to make the grade, Alexander views the implementation of SYSPRO as a major milestone in Ken-Bar's history.