



Process Excellence in Action: **Wellborn Cabinet, Inc.**

Wellborn Cabinet Crafts BPM Initiative with IDS Scheer

For more than 45 years, Wellborn Cabinet, Inc. (www.wellborn.com) has been manufacturing quality kitchen and bath cabinetry. Wellborn Cabinet, Inc. is a family business that was established in 1961. Years of individual dedication by hundreds of Wellborn employees have created today's multifaceted company. Located in the foothills and timber country of the Appalachian Mountains in Ashland, Alabama, Wellborn Cabinet, Inc. now encompasses more than 1.5 million square feet and integrally operates its own timber processing mill.

Organization

Wellborn Cabinet, Inc.

Industry

Kitchen and Bath Cabinet Manufacturer

Challenge

Wellborn's previous system was "over customized," limiting and inefficient, and the company needed a new solution that scaled with growth and offered specific functionality related to manufacturing and ordering processes.

The Solution

Wellborn engaged an ERP software consultant, conducted extensive vendor evaluation and selected SAP R/3 as its ERP system with IDS Scheer as implementation consultants.

Solutions Deployed

- ▶ SAP R/3 with PP, MM, HR, Payroll, SD, VC, FI/CO, Mill Products, and BW
- ▶ SAP Variant Configurator

Benefits

Wellborn Cabinets, Inc. has realized significant business growth, more efficient new product launches, faster BOM maintenance, more accurate master data and order entry and higher levels of customer satisfaction.

The Business Challenge

In 2002, Wellborn realized a need to streamline its processes and settled on a highly customized ERP system. However, the selected solution was “over-customized” and limited. With an outdated, non-GUI interface, the system would tap out at 580,000 BOMs (bill of materials) and the progress database was at capacity. Plus, the system’s over-customization prevented updating, offered no multi-plant capability, had slow user response times and lacked financial drill-downs.

The solution also offered limited marketing functionality, especially related to product expansion, manual BOM changes and order entry errors. In addition, the solution provided no quotation functionality, hindered time-to-market with new lines, provided no integrated business intelligence and could not scale with the growth of the company.

From an engineering perspective, the system was difficult to maintain, prone to errors, inaccurate and gained low plant confidence marks. The solution also slowed the creation of new product offerings, lacked system maintenance tools, provided no time to prepare routings and inspired low confidence in production standards.

Realizing the need to make a change in its ERP system, Wellborn set out to find a solution with a process-oriented approach designed to streamline its operations.

The Business Solution

As a first step, Wellborn engaged the services of an ERP software selection consultant that was charged with finding a solution to address the following:

- ▶ Plant/Departmental requirements
- ▶ Functional blueprint
- ▶ Product configurator analysis
- ▶ Risk avoidance
- ▶ Research
- ▶ Vendor interface
- ▶ Contract negotiations

The ERP software selection search encompassed the following:

- ▶ Established prioritized requirements
- ▶ Established ROI target consensus
- ▶ Requested vendor information
 - ▶ Emphasis on determining vendor strengths
 - ▶ Understanding of vendor’s customer base
 - ▶ Research on topical product functionality/depth
 - ▶ Selection of potential vendors/products for a short list
- ▶ Created custom demo script that modeled Wellborn’s business
- ▶ Allowed vendor visits to understand functional script requirements
- ▶ Scheduled “short list” of vendor demos
- ▶ Scored the demo script with a selection team
- ▶ Determined weaknesses and “gaps” and gave the vendor a second chance for resolving critical items

After an extensive evaluation, Wellborn Cabinet selected SAP R/3 as its ERP solution and turned to the business process management experts at IDS Scheer to provide SAP licensing and helpdesk support for all installed modules. In addition, the IDS Scheer implementation team was responsible for supporting major system objectives and establishing partnership “ground rules” and roles.

The scope of the implementation covered both its Wellborn and WellMade product lines. In terms of SAP system modules, Wellborn utilized the following: PP, MM, HR, Payroll, SD, VC, FI/CO, MillProducts, and BW.

In addition to processes, Wellborn also optimized the functionality of SAP Variant Configurator, which uses engineering rules and Internet Transaction Server based online order entry. The transition to the Variant Configurator structure included:

- ▶ Legacy data cleanup — BOMs, items, customers, vendors, sales master data
- ▶ It.wood and Mill Products features
- ▶ Super-BOM structure determination — Classes, characteristics, profiles, dependencies, routings
- ▶ Pricing philosophy change — From market-based to selected options roll-up
- ▶ Testing — include production experts
- ▶ Data conversions
- ▶ File build
- ▶ Master data fields responsibility

Wellborn employees participated in extensive order entry training on the system, including 16 hours of instruction, 100+hours of Customer Service practice, 10 customer beta testers for B2B and system stress testing. The company also used the system to transition cycle times covering data structures, testing/proofing and training.

The Results

Wellborn has measured its ERP implementation success based on the following key metrics:

- ▶ Business growth support
- ▶ Streamlined new product launches
- ▶ Faster BOM maintenance
- ▶ More accurate master data
- ▶ Online B2B order entry acceptance
- ▶ More accurate pricing
- ▶ More accurate order entry — fewer changes
- ▶ Higher customer satisfaction levels