

Distributor Uses QuickBooks® Enterprise Solutions to Pump Up Productivity

BUSINESS CHALLENGE

Cortech Engineering customers rely on the firm's specialized industrial pumps to operate every day. In order to maintain the right amount of expensive inventory on hand, fill a growing number of orders and be able to ship them quickly, Cortech's president knew he needed to change from his cumbersome, outdated financial package.

SOLUTION

QuickBooks Enterprise Solutions: Manufacturing and Wholesale Edition offers Cortech Engineering:

- Robust controls to manage an inventory of over 14,000 line items
- A smooth, integrated workflow that can turn estimates into sales orders, and get product out the door quickly
- Well-supported solution that can keep up with company growth

BENEFITS

- Ability to view pending orders and base "ship-to" decisions on several key factors
- Tools to expedite orders quickly and accurately
- Superior productivity that enables a small core staff to handle a large amount of transactions and sales.

CUSTOMER PROFILE

- Distributor of specialized industrial pumps
- Headquartered in Anaheim, Calif.
- In business since 1987
- Sales of approximately \$9 million in 2005
- Using QuickBooks Enterprise Solutions: Manufacturing and Wholesale Edition; converted from a custom modular accounting system



"With our old modular system, keeping it accurate was tough. We weren't always sure that the numbers it was giving us were real. With Enterprise Solutions, everything just flows together. We have total confidence in it."

**John Pugh, President
Cortech Engineering**

When power plants, manufacturers and water treatment facilities need to move fluids, solids and gases, they turn to Cortech Engineering of Anaheim, Calif., for the specialized pumps required to do the job quickly and reliably. In turn, Cortech relies on QuickBooks Enterprise Solutions: Manufacturing and Wholesale Edition to keep business flowing smoothly by keeping tabs on expensive inventory and improving productivity.

The toughest challenge of being a pump distributor is cash flow, says John Pugh, Cortech's president. In order to respond rapidly to customers' needs, John maintains a sizeable inventory of heavy-duty pumps and replacement parts for critical repairs. Depending upon the number of projects in the pipeline, his inventory can range from \$600,000 to \$1 million per month—so it's important to keep careful track of what's in the warehouse.

"Industrial pumps is a world of its own," according to John. "Our customers depend upon our products every day to function. While some components can be delivered in a few days, others have a 22-week lead-time. That makes staying on top of our inventory critical to have on hand whatever our customers need. We're forecasting a big year for sales in 2006, about a 19% increase; that's why we're using Enterprise Solutions to help us keep up."

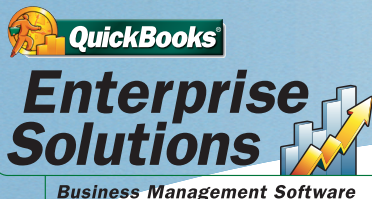
Switching to a More Streamlined System

For several years John had been using a modular accounting system, but as his sales

of packaged pump systems, spare parts and support services grew, he realized just how big Cortech was getting. It was also evident just how cumbersome and outdated his existing software had become. He needed to switch. He also wanted to do it right. He didn't want to jump into a new system, only to have to change again in a couple of years because it couldn't keep up with his growth.

So, John and his general manager embarked on a two-year search for the financial management solution right for them; one that could grow with Cortech and make them more efficient. Eventually John met Bruce Andersen, CPA, a QuickBooks Enterprise Solutions Provider and ProAdvisor from Los Angeles.

"Bruce came in, studied our needs extensively and got us looking at Enterprise Solutions," John says, "He gave us a demo that focused on our needs. Our biggest concern was inventory—we have over 14,000 line items in our system, and inventory and building pump assemblies are a big deal. Bruce pointed out some capabilities that really impressed us, including how the program would help us do our assemblies and actually keep better control of our costs." After demonstrating its cost-effectiveness and smooth workflow, Bruce had John convinced that Enterprise Solutions would be a huge improvement over the old modular system that wasn't well supported and could no longer keep up. So, John made the switch.



"The difference was like night and day," John enthused. "With our old modular system, keeping it accurate was tough. We weren't always sure that the numbers it was giving us were real, especially when it came to tracking costs and inventory associated with assemblies. There was always a worry that we might be over reporting or under reporting our income. With Enterprise Solutions, everything just flows together. We have total confidence in it."

Using Enterprise Solutions for Every Aspect of Business

Once Enterprise Solutions was in place, ramping up was a quick job for John and his staff who use the program to track the workflow of every order. "I went with it because it was truly an enterprise solution," John explained. "When we start an order it goes through the estimate function, which then gets converted to a sales order. From there, Enterprise Solutions tells us whether we need to order things, we can generate POs from it...we're trying to utilize every function of the program."

There are two inventory functions in Enterprise Solutions that Cortech uses heavily. The Sales Order Fulfillment feature helps the company maximize revenue on existing orders by determining

the most valuable orders to process. With a single view of all pending orders, the staff can base "ship-to" decisions on projected revenue, customer value and other key indicators. According to John, the feature is used constantly to ship as much as they can—especially during the last week of a quarter when they're trying to get more out the door.

"Available-to-Promise" is the other inventory tool in Enterprise Solutions that John's staff uses a lot. The feature allows a user to see what product has been committed to existing orders and what product is available to new orders. John's purchasing and order manager uses the function all the time to see where she can borrow products from one incomplete order to fulfill another and get it out the door. For the manager, this function has been extremely valuable, saving her several hours every day.

Keeping Overhead Low

In addition to managing inventory and streamlining workflow, another crucial activity for John is watching his cost of operations. As John explains it, the fewer people that are on staff, the more money falls to the bottom line. "My number one cost is people. If I want to retain profit, or earn as much profit as possible, I can't have an overabundance of people," he said. "When you look at where we're

at with Enterprise Solutions, we have three people on it all day long pushing through more than \$10 million in annual sales. That's the backbone of my office."

For John, moving to Enterprise Solutions has been one of the best business decisions he's ever made. With it, he's been able to improve his office workflow dramatically, have more accurate costing of assembly builds, keep a tight handle on his inventory, and do more with fewer people. "Enterprise Solutions works for us," he said. "The big thing was being able to get up and running so quickly. We're flying!"

Helping You Build Your Business

For more than 10 years, QuickBooks has worked with small businesses to develop tools that will help them succeed. Today QuickBooks is doing the same for larger, growing businesses with products like QuickBooks Enterprise Solutions—the most powerful QuickBooks product ever. With a four-star "CRN Test Center Recommended" rating (November 2005), QuickBooks Enterprise Solutions has the capabilities and flexibility to meet the unique needs of growing businesses, potentially helping them save thousands in up-front and ongoing costs.

QuickBooks Enterprise enables Cortech Engineering to:

- Work more productively, enabling the business to grow without adding headcount
- Track inventory and get more product out the door
- Streamline the process of turning estimates into sales orders, generating POs to replenish stock, and ship orders more quickly
- Have a more accurate picture of product assembly and inventory costs

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John Pugh, President
Cortech Engineering

FOR MORE INFORMATION

For more information about QuickBooks Enterprise Solutions, visit our Web site at www.quickbooksenterprise.com or call QuickBooks Sales at 866-272-8735 ext. 2006. For more information about Bruce Andersen's consulting services, visit www.andersenCPA.com or visit www.quickbooksenterprise.com/solutionprovider to find an Enterprise Solutions Provider in your area. For more information about Cortech Engineering, visit www.cortechpumps.com.

Free Demo

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