

Pella Controls Costs, Boosts Productivity with Integrated Supply Chain and Customer Service Platform



Pella Corporation
Pella, IA
www.pella.com

Industry:
Industrial Manufacturing

Employees:
5000-9999

Oracle Products & Services:

Oracle Purchasing
Oracle Order Management
Oracle Configurator
Oracle Mobile Supply Chain Applications
Oracle Financials
Oracle Flow Manufacturing
Oracle Sales
Oracle Marketing
Oracle TeleService
Oracle iSupport
Oracle Application Server Web Cache
Oracle Advanced Inbound Telephony

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— Stephen Printz, Chief Information Officer, Pella Corporation

Named after the Iowa town where it’s headquartered, Pella Corporation has been making high quality windows and doors since 1925 when it introduced its pioneering Rolscreen® line of retractable window screens. Pella excels in the market by paying constant attention to detail. Its windows and doors are primarily made to order, letting customers choose from vast combinations of door and window sizes, colors, and materials. The key, Pella executives say, is getting each order right and then synchronizing factory production to deliver the goods just in time.

Coordinating sales, service, and manufacturing was harder to do in years past, however, when Pella depended on aging, incompatible IT systems to run the business. The legacy applications and systems weren’t designed to work together and, as a result, were becoming more expensive to maintain and less reliable.

The situation is different today, thanks to Pella’s shift to an integrated Oracle E-Business Suite platform. Pella migrated to Oracle gradually, first integrating its core financial systems and then adding supply chain applications for managing orders, production, and distribution.

In its latest initiative, Pella added Oracle customer relationship management (CRM) applications to automate its call center operations and track sales and marketing programs online. At about the same time, it added Oracle Configurator, a powerful order-configuration module that is helping Pella shrink lead times and tap new markets.

Unifying the Enterprise

With the majority of its business activities now running on an Oracle platform, Pella executives can manage the enterprise as an

Key Benefits:

- Enables better decision making via a more complete view of key business information
- Reduced costs by consolidating multiple legacy systems hampered by inconsistent and redundant information
- Enable call center to scale rapidly, supporting rapid business growth
- Shortened manufacturing lead times, opening new regional markets
- Increases productivity through more effective scheduling
- Reduced Web page loading time by up to 50%
- Cut purchase order preparation time by 86%
- Improved customer service by becoming “one company in the customer’s eyes”

integrated whole. “The big benefit is being able to see everything going on at the same time,” said Stephen Printz, chief information officer at Pella Corporation. “Everybody’s making decisions from the same data. The visibility allows us to optimize across the entire business.”

The cross-enterprise integration helped Pella develop leaner, faster business processes and lower administrative overhead. Pella’s financial staff, for example, saves time each month because it can resolve accounting discrepancies and run reports faster.

Cutting Purchasing Time by 86%

Pella automated its purchasing programs with Oracle Procurement, one of several Oracle E-Business Suite applications Pella deployed to keep its supply chain running at maximum efficiency. The automated procure-to-pay system helped Pella cut purchase order transaction time by 86%—from 30 minutes to five—while helping the manufacturing division reduce purchase order preparation time by 50% and lower overall administrative costs.

According to Tracey Buck, coordinator of facilities management for Pella Corporation, the Oracle-based procurement system reduced phone calls from the purchasing department and vendors by as much as 95%, mainly because “all needed information is now on the purchase order.” The procurement system integrates seamlessly with Oracle Purchasing, which has helped Pella match invoices with the corresponding receipts and purchase orders nearly 27% faster. Managers now approve payments faster through an online workflow process.

Configurator Speeds Custom Orders

Pella’s made-to-order manufacturing model puts a premium on accurate order capture and fast transfer of manufacturing instructions to the factory floor. This process can be a formidable task since Pella offers customers a huge choice of dimensions, color, and materials to meet their unique window and door needs and preferences, adding up to millions of possible order combinations. In the past, that meant Pella had to store an equally large number of “part numbers” to account for the variety.

Pella found a more flexible system with Oracle Configurator, a module Pella recently plugged into the front end of its Oracle Order Management system. “Oracle Configurator is the only

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Project Manager of
Oracle Implementation
Pella Corporation

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Shorter Lead Times

Oracle Configurator automatically transfers product specifications into factory-ready orders, replacing a slower batch order process. “Within half an hour, all that information is available to the manufacturing shop floor,” Hassman said. “That’s an 18 to 48 hour lead-time reduction compared to our old system.”

Shorter lead times help Pella compete in new markets where local suppliers traditionally held a logistical edge. “The more we can reduce manufacturing time, the more time we have to distribute the product—to get it there and be competitive with local suppliers,” Hassman explained.

Synchronizing Production

Tighter integration between incoming orders and the shop floor helps Pella plan production activities more efficiently at its manufacturing operations in Iowa, Illinois, Pennsylvania, Ohio, South Carolina, Kentucky, and Oregon.

More improvements are in the works, said Scott Argo, business systems manager at Pella Corporation. “Today our manufacturing plants operate very efficiently—but as silos,” he said. “With Oracle Order Management, we expect to achieve inter-plant synchronization, which will result in better scheduling, higher labor productivity, and lower inventories.” Pella also expects to increase inventory turnover and production throughput—using Oracle Flow Manufacturing.

Improving Pella’s Customer Service Operations

When Pella wanted to integrate customer information for its sales and service centers and national retail customer segments, it decided to migrate customer-facing operations to an Oracle CRM solution. This integration enabled Pella to reduce complexity and improve consistency through one application, and provide more efficient customer service.

The new system, based on Oracle Service and Oracle Interaction Center applications, replaced more than a dozen homegrown systems Pella had built over the years to track customer data.

“We’ve been able to eliminate a lot of those old processes,” said Teri Lancaster, manager of the CRM and order management implementation team for Pella Corporation. “Now, all our customer records are tracked in Oracle,” which supports Pella’s goal of being “one-company in the customer’s eyes.”

The automated system uses Oracle Advanced Inbound Telephony to monitor calls per at Pella’s call center. The system displays key performance indicators such as how long the calls take and how many agents are standing by. All this helps Pella staff its call center more efficiently, further increasing savings. “The metrics we gather help us provide better service to our customers, by knowing how to best staff our contact center,” Lancaster said.

To handle routine order inquiries, Pella added an integrated voice response (IVR) system to Oracle’s Advanced Inbound and TeleService products. “It’s a labor and cost saver,” Lancaster said.

Pella’s call center agents tap the company’s online knowledge base, which stores the latest product and service information. Built with Oracle Knowledge Management and integrated with Oracle TeleService and Oracle iSupport, the online knowledge base replaces a printed catalog that Pella published periodically -- and which grew old rapidly. “Thanks to the new Oracle system, we’re easily able to provide callers with the most current information on a wide range of information needs,” Lancaster said. “Our service technicians access that same knowledge base information using Oracle iSupport, so we’re able to provide extra service.”

Seizing More Opportunities

Pella also plugged its sales force into the Oracle E-Business Suite platform, implementing Oracle Sales to track sales and manage leads more systematically. “There is improved visibility and discipline in the follow-up process,” said Pat O’Brien, lead management manager of Pella Corporation. “Lead opportunities are not lost, and sales reps are following up on the most promising opportunities.”

Pella also implemented Oracle Marketing at its corporate offices. With its built-in data mining tools, the application will help Pella identify the strongest business prospects and measure the success of sales and marketing campaigns.

Access from Anywhere

Pella employees can access Oracle and other corporate applications from any Web connection. But for many field employees, connecting to the applications over narrow bandwidth phone lines can be time-consuming. “Our dial-up users were very frustrated with application response times,” according to Hassman.

Pella’s solution was Oracle Application Server Web Cache, a technology that accelerates system speeds by storing and compressing data in a front-end cache that speeds access by Web browsers. The enhancement helped reduce page-loading time by as much as 50%, improving field staff productivity. “After deploying Oracle Application Server Web Cache, users are accessing the pages significantly faster,” Hassman said.

Why Oracle?

Pella selected Oracle over several top vendors because of Oracle’s “vision of end-to-end integration of business processes,” Printz said. “The legacy system served us well, but as we grew, it became increasingly difficult to take those legacy systems forward and still have a central view of what’s going on in the business.” With the Oracle E-Business Suite, Pella moved from optimizing aspects of its business to optimizing the whole enterprise.

Advice from Pella

- Streamline your workflow by giving your employees easy access to information.
- Automate processes to allow your employees to focus on higher-value tasks.
- Improve the speed and quality of your information by replacing disparate legacy systems with an integrated platform.

Founded in 1925, Pella Corporation is recognized in the window and door industry for its technology and innovation, having earned more than 100 U.S. product and design patents. In addition to windows and patio doors, the company manufactures entry door systems.