

# Leading Edge Hydraulics

Intuitive™ ERP

## Intuitive ERP Becomes “Platform for Growth” at Leading Edge Hydraulics



*Hydraulic Tube Assembly and Fitting Manufacturer Delivers More Value to Customers*

### Schemas on a Restaurant Napkin

For Leading Edge Hydraulics (LEH), the transformation from small-scale family business to global leader in the production of hydraulic tube assemblies and fittings started with a plan sketched out on a proverbial cocktail napkin.

According to Russell L. Dennis, Jr., vice president and chief technology officer at LEH, the starting point was a search for an enterprise resource planning (ERP) vendor that could integrate electronic data interchange (EDI) capabilities into what was then a small manufacturing operation.

This was the beginning of a long-term collaboration between LEH and Intuitive. Dennis says the fundamental business challenge that drove the initial collaboration was his need to significantly shorten product delivery lead times. “Although our major competitors were extending their lead times, I understood that if we could buck that trend and shorten ours, we could help our customers reduce their inventory and improve their operational efficiency,” he explains.

From a technical perspective, the key was to leverage EDI so his customers could communicate directly with the LEH ERP system. “If we could accomplish this, we would be able to leverage the information to have a timely discussion with our customer and learn what was driving the request and then respond appropriately,” Dennis says. “We produce thousands of different parts and, with the mainframe we had installed at the time, it was impossible to get timely reports we needed to effectively respond to changing customer demand.”



### ROI at a Glance:

The implementation of Intuitive ERP at Leading Edge Hydraulics, a global leader in the production of hydraulic tube assemblies and fittings, has contributed to the following results:

- Revenue growth of nearly 70 percent, 50 percent and 20 percent for three consecutive years.
- 20-fold reduction in order entry time.
- Lead-time reduction from 10 weeks to 10 days.
- Reduced MRP run times from seven minutes to two minutes.
- More than 60 percent reduction in non-conforming product reports from customers.
- Support for overseas expansion.

**“We have consistently used Intuitive ERP as our platform for delivering more value to our customers and growing our company.”**

— *Russell L. Dennis, Jr.*, Vice President and CTO, Leading Edge Hydraulics

## LEH, Intuitive Collaborate to Enhance ERP Capabilities

To overcome this obstacle, LEH asked one of its major customers to join the collaboration with Intuitive. LEH worked closely with Intuitive to enhance the Intuitive ERP solution with a more powerful database and the capability to run MRP on the LEH network. Dennis also credits Intuitive with helping his company manage the cultural change that was necessary to make the new system live up to its potential.

Over the past 10 years, LEH has collaborated with Intuitive on an ongoing basis, participating in numerous Beta tests of new capabilities. The company is now using Intuitive ERP v8.1 and has outsourced its EDI platform to Acclimate, an Intuitive partner.

## Dramatic Process Improvements Realized

“The Intuitive solution has enabled us to adopt completely electronic processes—all the way through the business cycle, including forecasted demand flow, release schedules, advance ship notices and electronic invoicing,” Dennis says. “Being totally electronic makes us more accurate and able to respond faster. We have terminals throughout the manufacturing floor so our employees can see the prioritization of orders. When a customer calls and they are in a dire situation, we can respond to their needs in real time.”

He cites a number of dramatic process improvements made possible by Intuitive ERP. “With the latest upgrade to version 8.1, we have an EDI batch time of less than seven minutes, a Dynamic MRP time of less than three minutes, and the ability to use an automated scheduler to handle transactions securely over the Internet,” he says. “These are just some of the amazing accomplishments made possible by Intuitive solutions since we first went live on version 3.5.1.”

## Platform for Growth and Global Leadership

According to Dennis, the Intuitive ERP platform is playing prominently in his company’s strategy for growth. “In the prior three years, our annual revenue growth had been nearly 70 percent, 50 percent, and 20 percent,” he says. “There is no way we could have achieved this without having an ERP platform that gives us the confidence to grow our business at will.”

He cites the expansion of the company’s operations in Sweden and the launch of a new company, Leading Edge Display, as two of the strategic moves enabled, in large part, by the Intuitive ERP platform. “The president of Leading Edge Display, which makes tubular and wire frames for point of purchase displays, says that he has never seen such a powerful ERP solution as Intuitive ERP. He says it’s a big reason we have been able to ramp up and become so efficient so quickly.”

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Vice President and CTO  
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## LEH Designated as Top Supplier

"We have consistently used Intuitive ERP as our platform for delivering more value to our customers and growing our company," he says. "The Intuitive platform has enabled our customers to save hundreds of thousands of dollars in reduced on-hand inventories by reducing our lead times from 10 weeks to 10 days."

The response from customers has been extremely positive, Dennis says; citing LEH's designation as one of the top six suppliers worldwide in the John Deere Cost Reduction Opportunities Process—part of Deere & Company's Achieving Excellence program that brings significant value to John Deere and its customers. LEH received the honor for providing cost-reduction ideas of outstanding quality, and for demonstrating commitment to continuous improvement.

"Using ERP as a differentiator to deliver high levels of customer value is enabling us to grow from a small-scale family business to a global leader in a very distinct and historically competitive industry," he says.

Dennis says that LEH has plans to build on its success with Intuitive ERP by applying the lessons learned to their supplier chain. "We want to take the same concepts and extend the information flow down through the supply chain, using Intuitive and Acclimate to harness the same advantages and benefits within our supply chain that our customers receive from us. It will be the most lean, accurate and efficient supply chain possible through greater visibility and responsiveness."

## About Consona ERP

Consona Corporation is a worldwide leader in providing customer relationship management (CRM) and enterprise resource planning (ERP) software and services for companies of all sizes. Consona serves more than 4,500 customers worldwide and across a variety of industries.

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