Sage 500 ERP | Customer Success

Luzenac Produces Talc for the World With Sage 500 ERP

The Luzenac Group is big—mining more than a quarter of the talc used around the world. Its North American division, Luzenac America, is big, too, manufacturing half a million tons of talc a year at plants in Canada, the U.S., and Mexico. It therefore used a tier-one financial system (JD Edwards, now Oracle's PeopleSoft) on an IBM AS400 to manage its operations.

Numerous layered customizations made the legacy system complicated and unwieldy. It was easy to enter data but hard to extract usable information. Plus, the system was expensive to upgrade and required dedicated IS and IT departments for support.

Moving to Sage 500 ERP*

Roger Smith, vice president of finance and information technology, suspected that a midsized system might be a wise replacement. "We were spending way too much, even for a company our size," he says. So he researched various industry-leading options using three criteria. "First, the new system had to address most of our needs out of the box," explains Smith. "Second, we wanted existing customers to vouch that it wasn't buggy. And third, we needed superior warehouse and inventory management capabilities. Sage 500 ERP stood out from its competitors on all counts but particularly impressed us with its ability to manage inventory and segregate data by warehouse."

Moving to Sage 500 ERP Inventory Integrity

Luzenac America now uses Sage 500 ERP for all core financial applications, including general ledger, sales order, receivables, payables, and cash management. A Production Information Management System (PIMS), authored by Ironware Technologies, records production data and integrates seamlessly with the Sage 500 ERP Inventory Management, Inventory Replenishment, Sales Order, Accounts Payable, and Accounts Receivable modules. Soon, Luzenac plans to implement Sage 500 ERP Purchase Order, Project Accounting, Alerts, and eExecutive modules to further expand its capabilities.

*Sage 500 ERP was named Sage ERP MAS 500 when Luzenac America, Inc. initially implemented this solution. The product names have been updated in this case study to reflect current naming.

Customer
Luzenac America, Inc.

Industry
Talc producer

Location
Centennial, Colorado

Number of Locations
Ten

Number of Employees
450

System
Sage 500 ERP

Challenge
A previous JD Edwards (now PeopleSoft) financial system was inflexible, costly to maintain, and did not integrate with proprietary inventory management system.

Solution
Sage 500 ERP with full complement of financial, distribution, and online modules has provided enterprisewide information management and access.

Results
Month-end closing process is now done two days faster; Sage 500 ERP does the same work as tier-one system for only 75 percent of the cost; real-time inventory permits better strategic decisions.

Sage 500 ERP automatically records inventory production into the Inventory Management module, maintaining real-time inventory data for finished goods. "Most of the items we produce are similar to kits, in that they contain other materials besides talc," says Smith. "Sage 500 ERP handles inventory movements and records production costs in such a way as to allow line-item comparisons of actual production costs versus standard production costs. This is a big improvement over what we were doing in the past. We now have better inventory management practices and are able to make better strategic decisions."

He also appreciates the efficiencies of the Sage 500 ERP Multicurrency Management module. At the company's Canadian operations, the bulk of its expenses are in Canadian dollars, but 80 percent of sales are in U.S. dollars. Having automated fund conversion is therefore an important timesaver. Sage Fixed Assets Accounting, the fixed assets module for Sage 500 ERP, manages about $100 million worth of Luzenac assets, including all buildings, machinery, plant, equipment, and mobile and mining equipment located in the United States and Canada. "Sage Fixed Assets has helped us streamline preparation of both our internal and tax books," Smith notes.

Reporting is easier, too, thanks to Sage 500 ERP, SAP® Crystal Reports for Sage 500 ERP, and FRx. "The drill-down abilities of our new system are fantastic," Smith observes. "We've shaved two days off our month-end closing process, because it's so much easier to extract good, usable data from our system. And instead of printing reams of paper, we can publish reports directly to our managers, another major timesaver." Smith is convinced that switching to Sage 500 ERP was a smart business move. "Sage 500 ERP is doing the same work as

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> Roger Smith
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our tier-one product, but for only 75 percent of the cost," says. "Before, upgrades involved opening our checkbook and hoping for the best. But with Sage 500 ERP, we've done two version upgrades since implementation, and they both came in on time and within budget. I'm extremely pleased."

About Sage

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers' needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, manufacturing, nonprofit, and real estate industries. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 12,300 people and supports more than 6 million customers worldwide. For more information, please visit the website at www.SageNorthAmerica.com or call 866-996-7243. Follow Sage North America on Facebook at: http://www.facebook.com/SageNorthAmerica and Twitter at: http://twitter.com/#!/sagenamerica.

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