

Sabian Cymbals Pushes the Boundaries with SYSPRO

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- Greg Hartt, Manager of Information Systems,
Sabian Cymbals

■ The Company

Nestled in central New Brunswick is Meductic, a small, quiet, riverside village which happens to be home to one of the major players on the worldwide music scene: Sabian Cymbals. With clients like Phil Collins, Chad Smith, Mike Portnoy, Evelyn Glennie and the New York Philharmonic, along with a host of music industry awards, Sabian can truly lay claim to making the world's finest cymbals. This 20-year old company with a 300-year Zildjian family history of cymbal making is an industry leader with sales in 120 countries, involving multiple affiliates and operations around the world.



At a glance

Company

Sabian Cymbals

Industry sector

Metal Fabrication
▪ Manufacturing

Number of employees

125

The challenge

- Need for a highly customizable ERP system
- Solution needed to play to Sabian's strengths and conform to business processes

Solution & services

- SYSPRO Manufacturing
- SYSPRO Financials
- SYSPRO Distribution

The benefits

- Improved inventory management
- Easily customizable
- Simple barcode system
- Enhanced efficiency, particularly at month end
- Return on investment



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■ The Challenge

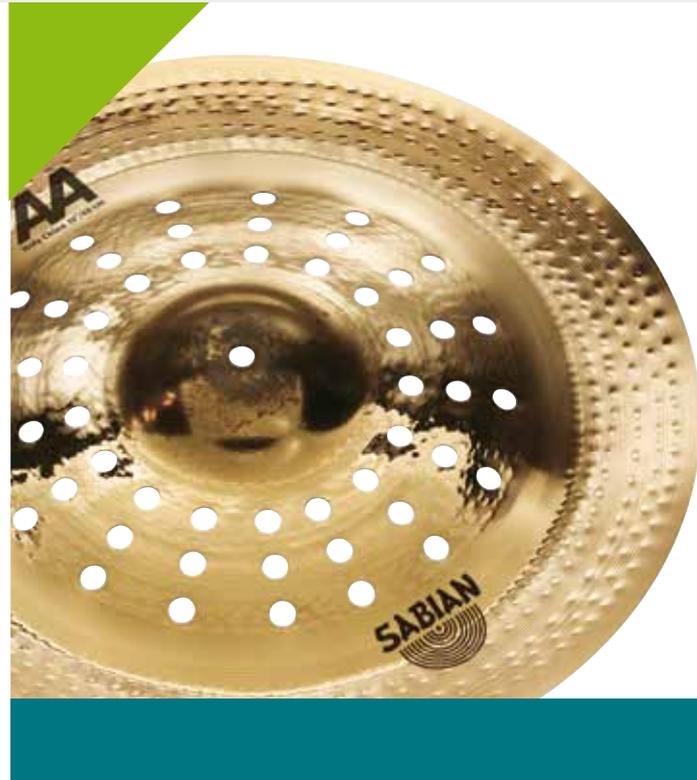
In 1997, Sabian ran on an accounting program that was purchased the year before for \$150,000. Greg Hartt, a Certified Management Accountant and Sabian's Manager of Information Systems, says: "In 1999 we had to deal with the fact that our accounting system wasn't Y2K compliant. The vendor informed me that the cost of compliance would be another \$200,000 – for a program that didn't have a manufacturing system, or many of the other components we depend on today. Not wanting to throw good money after bad, I decided to take a look at an ERP."

■ The Solution

Sabian chose SYSPRO after a detailed search of product reviews, reference checks, and a thorough evaluation. "Our priority was to purchase a system that could be highly tailored to play to our strengths and conform to our business processes," Hartt says.

"SYSPRO was exactly what we were looking for. Our initial investment was approximately \$100,000. Half of that was spent on software and the other half on consultants. It was the best \$100,000 we ever spent."

Over the years, Sabian has pushed the boundaries of what SYSPRO can do. "We've worked extensively with the SYSPRO Halifax office, and with other third parties, to write custom software. SYSPRO head office has even written scripts for us that are now part of their product. These days, we're writing our own software with Visual Basic. The beauty of SYSPRO is its flexibility – we can leverage our investment without affecting the core reliability of the software."



■ The Result

Despite having thousands of SKUs, Sabian manufacturers only three major product lines. The company's basic cymbals are formed from brass 'uniroll' blanks, purchased from suppliers in whatever thickness desired. Sabian's premium 'cast metal' cymbals are made of bronze, forged from an ancient family recipe in the Sabian foundry. When the metal is molten it's poured into discus-shaped ingots, which are cooled and allowed to rest before being subjected to a lengthy manufacturing process: rolling, shaping, cutting, hammering (by machine and hand), two stages of testing, and a period of maturation in what's known as the Sabian Vault.

Before SYSPRO, Sabian had no way to track its products through the manufacturing process. "We didn't know how much copper or tin we had on hand, or how many uniroll blanks we had – and those have a 20-week delivery time. SYSPRO allows us to track the movement of product on

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the floor, and when we issue a job the system tells us how much materials and product we still have on the shelf," Hartt says. "When we do a forecast we can see what we need over time. And when the customer places an order, we can provide a very good estimate of when that order will be filled. SYSPRO allows us to be more proactive, which gives us a definite competitive advantage."

Barcoding can present problems for manufacturers. According to Hartt, it used to be a nightmare.

"Each individual stock code has to have a barcode, and we have approximately 6,000 stock codes. We cannot buy labels ahead of time – we manufacture 500,000 cymbals in a year representing 1000 or 2000 SKUs. An economic quantity from a printer would be 10,000 labels – but we have SKUs we may never manufacture 10,000 times. SYSPRO allowed us to create a simple system that lets our factory people key in the stock code and get the barcode returned. By using barcode software that ties back to SYSPRO we've made the system much more efficient."

In 2003, the SYSPRO Halifax office developed a custom module to conform to the flow of Sabian's packaging process. "We brought the packaging system in six years after the barcode system, and now we're using the barcode to tell us what's in the box," Hartt says. "When we hit the final function, the barcode tells SYSPRO what we're shipping. All of the effort that used to go into packaging is now being done by computer – the whole process has flattened out for a substantial gain in efficiency."

SYSPRO has also made it easier for Sabian to process vendor invoices, such as credit cards. "There are close to 60 credit cards that we don't have to enter information for anymore," says Hartt. "That's knocked a whole lot of processing time off at month end. All in all, SYSPRO creates better and more accessible information. That in



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itself makes us more efficient, because we're no longer dependent on a filing system – everything we need is right at our fingertips."

Although Sabian has never subjected SYSPRO to a formal ROI, Hartt is positive that the numbers add up to success. "When I came here in 1997 the company was making X-dollars in revenue, selling about 480,000 cymbals annually. Fifteen years later we were at 2X-dollars in revenue, selling about 900,000 cymbals per year. During all that growth we only hired one additional person in an administrative capacity. That's twice the volume with only one more body, and that would not have been possible without SYSPRO."