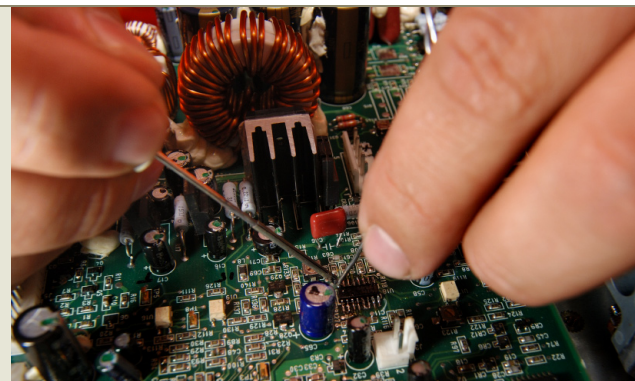


Qualitel Corporation

Intuitive™ ERP



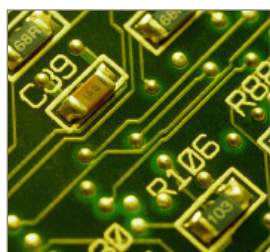
Updating Technology Results In Big Payoff for Turnkey Electronics Manufacturer



Qualitel Corporation Increases On-time Delivery and Improves Business Processes

Overview

In 1999, Qualitel Corporation, a Redmond, Wash.-based contract electronics manufacturer, earned \$2.85 million in revenue. Just one year later, after implementing a new business model and the Intuitive ERP system, Qualitel's revenue exploded 471 percent to \$12.89 million, earning them a no. 6 ranking in the Puget Sound Business Journal's "100 Fastest-Growing Private Companies" in Washington State.



The Solution

After considering several mid-range ERP packages, Qualitel selected the Intuitive ERP system.

Intuitive ERP's 100 percent Microsoft® technology infrastructure initially prompted Qualitel's decision to implement Intuitive ERP. The benefits of Intuitive ERP's Microsoft-standardized architecture included an extremely flexible and easy-to-use interface and integration with other Microsoft programs. Also important to Qualitel was Intuitive ERP's high level of configurability and easy modification. Combined, these factors ensured efficient implementation and on-going management of Qualitel's Intuitive ERP system.

Other contributing factors included Intuitive's low total cost of ownership, planning and procurement features, and the functionality to enable a turnkey business strategy. "Our goal was to get a system that works, is easily implemented, expandable, and easily modified...and that was met," said Tuanhai Hoang, Qualitel's president.

The Challenge

Before that \$10 million dollar increase in revenue, Qualitel's revenues had been growing 30 percent to 40 percent a year, but their current systems (which consisted of QuickBooks accounting and a homemade Microsoft Access order entry system) were not flexible or comprehensive enough to support new business strategies. As a result, Qualitel couldn't keep up with growing demand.

Return on Investment at a Glance:

After implementing Intuitive ERP, Qualitel Corporation, a Redmond, Wash.-based contract electronics manufacturer achieved the following returns on investment:

- Increased on-time delivery from 30 to 90 percent.
- Increased order capacity.
- Decreased lead times.
- Quadrupled revenue in one year.
- Improved business processes overall.

"Intuitive ERP helps keep data clean. Flow is logical. Every module is consistent and once you know how to use a portion of the forms, you can use the rest seamlessly."

— **David North**, Vice President of Business Development, Qualitel Corporation

Qualitel's Results

Implementing Intuitive ERP was a significant step in Qualitel's strategy to modernize their operations.

In October 2000, Qualitel attended the Intuitive training class. By November 2000, they had learned and implemented the Intuitive ERP system. "Every time I show someone how to use the system, I say, 'isn't that intuitive?'" commented David North, Qualitel's vice-president of business development, on Intuitive ERP's ease of use. "It helps keep the data clean. Flow is logical. Every module is consistent and, once you know how to use a portion of the forms, you can use the rest seamlessly."

Implementing Intuitive ERP enabled Qualitel to make a dramatic change to their business model. In January 2001, they began entering \$1 million worth of turnkey orders. And, instead of relying on customers to supply materials (as they had done in the past), Qualitel began to procure and manage their own materials with the planning and purchasing features of Intuitive ERP.

With the infrastructure in place to keep up with new demand, Qualitel was able to reduce costs, increase customer satisfaction, shorten cycle times, and experience faster inventory turns. They can now forecast demand to suppliers, and even send suppliers forecasts for up to a year. They have dramatically decreased lead times, and increased on-time delivery from 30 percent to 90 percent. These kinds of benefits have resulted in increased profitability and have allowed Qualitel to provide more competitive services to their customers.

Intuitive ERP also provided new ways for Qualitel to improve their business processes. The company now uses multi-level bills of material, something they weren't able to do before. In addition, they implemented Intuitive's Shop Floor Control module and now utilize bar coding in their operations. Qualitel was equally pleased with how smoothly Intuitive ERP data could be exported to Microsoft Excel or Word.

Qualitel's Reaction

In addition to the operational and procedural benefits provided by Intuitive ERP, the most significant measure of Qualitel's success with their new system was the quadrupling of Qualitel's revenue in just one year. "A critical part of our goal was to enable \$10 million in revenue almost instantaneously, and that was met," said North.

For Qualitel, however, implementing Intuitive ERP was more than just a way to increase revenue. Enabling new business and growth strategies, enhancing their technology infrastructure, and integrating their operations all equaled one thing for Qualitel: increasing the value of their business. "We received a great value from it," said North. "And we get a lot of value out of the system. The ROI is very high."

CASE STUDY

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— **David North**,
Vice President of
Business Development,
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