

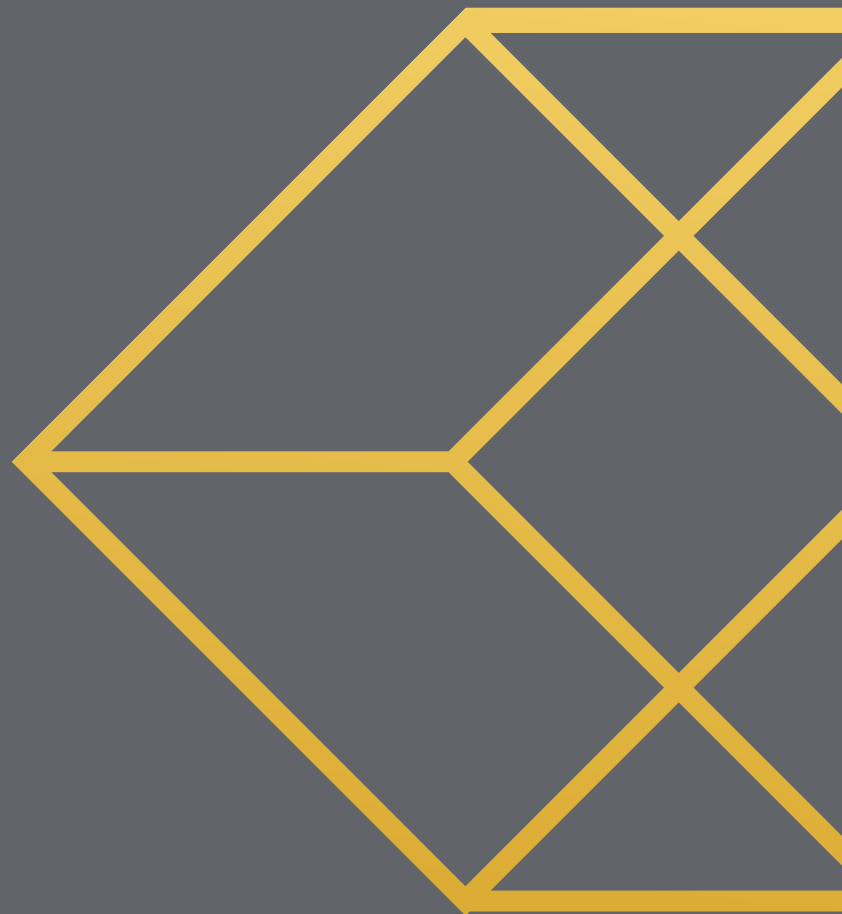


# Algorithm

## How Portacool Transformed into a Data-Driven Manufacturer

### **PORTACOOOL**<sup>™</sup>

WHEN COMFORT COUNTS<sup>™</sup>



# PORTACOOOL™

Portacool, LLC is an East Texas-based leader in the evaporative cooling industry. With a 30-year history, over 300 employees and a thriving brand in their Kuul evaporative cooling products, Portacool has been prosperous for a long time. During most of that growth period, they operated on a legacy ERP platform called Progression. Progression met all their requirements initially, but as the company grew and added new processes and financial controls, they needed to modify the system.

A few years ago, they turned to Algorithm for help with extending the platform's functionality and they have been working together ever since. As expected, the time came when their antiquated ERP could not be modified anymore to grow with technology advancements and industry expectations. Because of this, Algorithm recommended that Portacool consider upgrading to a modern, cloud-based ERP.

As they discussed options, the Portacool team realized how much they were being held back by manual processes and a 25-year-old legacy ERP system. In response, the new CFO, Rodney Roderick and Finance Director Stacey Mikesh, started looking at their future needs and current options. The decision-making team began to document the issues and started to build a vision for how they wanted to grow. They compiled a list of platforms to evaluate against their outdated system. Portacool's parent company was using SAP and Roderick had worked with Microsoft Dynamics at a previous company, so both went on the list. Then Algorithm's team recommended that they also look at Acumatica.

*"Data needs to drive our thought process and our decisions. Right now we're making a lot of decisions on gut feel. That's worked for the company for many years, but we can't rely on gut and hope, as a strategy for growth. I'm so excited that we're going to make better decisions."*  
-Rodney Roderick, CFO, Portacool.



## ERP COMPARISONS

### Microsoft Dynamics

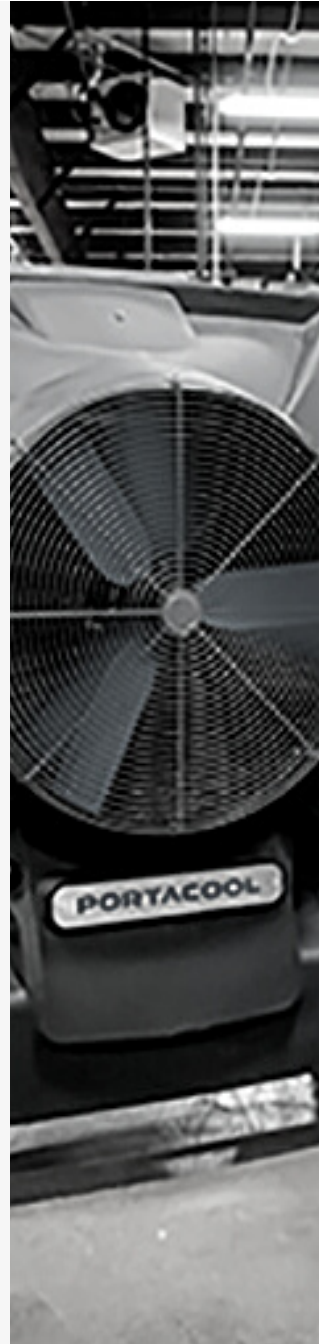
Roderick was very interested in using Microsoft Dynamics NAV (now Business Central) because he was familiar with it. He explained, "Honestly, I was pushing Navision because I knew it, I've used it and I loved it. I had a relationship with a Navision VAR. I know them really well and speak highly of them." Fortunately, his relationship with the reseller helped him identify a potential problem. "They were really honest and asked if we have our process documented. The answer was No. So that right there was going to add 500 hours." Roderick knew that this would make the project cost-prohibitive and eliminated Microsoft Dynamics from the list.

### SAP

Roderick interviewed his counterparts, the IT team and Finance Team at Portacool's parent company to get a sense of whether SAP would be a good fit. "We crossed off SAP pretty quickly," Roderick explained. "Our ownership and most of their companies are on SAP. But they didn't think we needed that, even though we're growing pretty fast." Part of the reason for this was that Portacool anticipated that an SAP implementation would take two years. This was a significant deterrent.

### Acumatica

The team felt that Acumatica offered the best mix of functionality and time to market. "The more we researched Acumatica, the more convinced we were. It was getting a lot of traction with Gartner and they're winning a lot of awards," shared Roderick. "I think the biggest selling point was the connectivity. I've used Avalara, I've used Salesforce, I've used all these real popular bolt-ons. So, the seamless transition for that was a very nice feature."



In the final stages of deciding, Portacool evaluated many aspects and chose to continue working with Algorithm because of the relationship and quality delivered on past projects. They also decided on Acumatica Cloud ERP, believing that the all-inclusive system combined with Algorithm's implementation team will be the winning combination that delivers the best value for a project of this size.



## PLANNING FOR SUCCESS

Portacool knew that they had a big job ahead of them and started their planning by looking at the places where things went wrong with Progression:

### Data and Usability Issues

As Portacool's team worked through the discovery process, they realized just how bad their data was in Progression. This was not a big surprise because they knew the software hadn't had any upgrades in many years. The system was not optimized for a good user experience, wasn't intuitive and didn't allow for insight.

### Manual Tasks and Reports

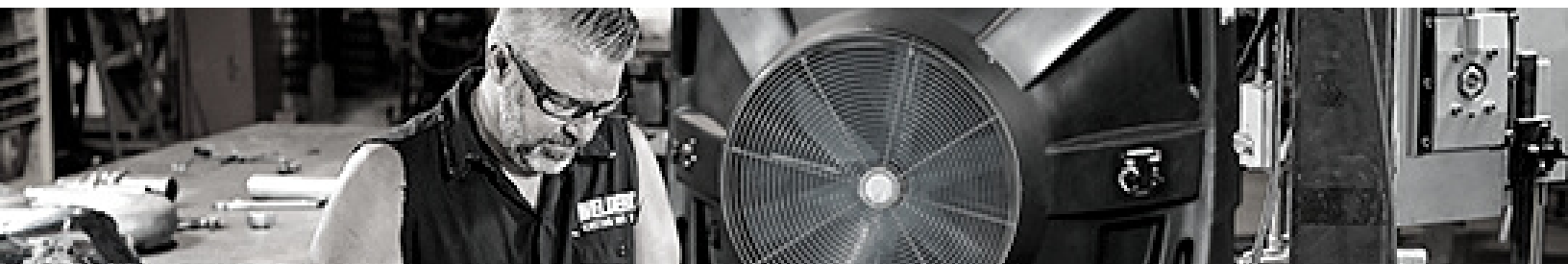
The team struggled to create basic reports from the data in Progression. While you can pull data out of Progression, it is labor-intensive on the back end. There are no dashboards available, which meant that Portacool relied heavily on manually-created Excel spreadsheets. They even had to hand-key their financial statement data into their reporting package every month. Tracking costs at a detailed level or reporting by channel, SKU or customer were impossible.

### Add-on Solutions

Progression did not offer a Warehouse Management Solution (WMS) out of the box, which meant an additional investment for an accompanying solution. Unfortunately, while there were extensions available for Progression, the integrations were clunky and required a lot of manual work. For example, Portacool knew they wanted serialized components and completed finished goods. Accomplishing this in Progression would have required investing in an extra expensive add-on.

### Error Reporting and Alerts

Even good systems and processes have exceptions which sometimes need quick attention. When such exceptions occur, it is essential that the software notifies the team so corrective action can be taken. In one instance, Portacool had been waiting on a \$600,000 payment only to find out three months later that the invoice did not go through via the existing EDI solution. Had they been notified, they would not have had to wait for the next payment cycle based on their customer's payment terms.



# THE OUTCOME

## Better Data and Faster Performance

Acumatica is an extraordinarily flexible ERP platform, allowing Portacool to dictate the structure of their data, instead of the other way around. This flexibility means cleaner data, more meaningful reports and better usability.

Portacool will now serialize their components and completed finished goods, which allows them to track costs at a detailed level. They set up reports by channel, profitability by SKU, market channel and by customer.

Acumatica saves PDFs straight into the system which eliminated use of paper. It is all in one depository, available to anyone who needs it.

With Acumatica's interface and toolset, Portacool has become more efficient. They have eliminated manual data entry and can now input a complex journal entry in a minute, versus ten in the legacy ERP.

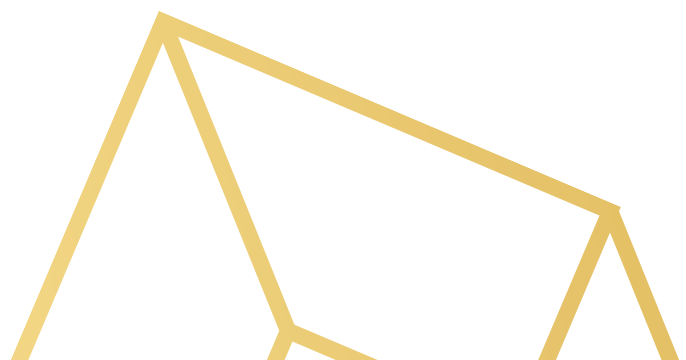
## Process Retooling and Automation

Stacey Mikesh, Finance Director, knew that it would be a mistake to import the data from the old system straight into the new. He helped the team envision streamlined procedures rather than sticking with workflows that were decades old. This enabled him to reset the financial foundation with clean and meaningful data for the company and set it up for continued growth.

The refreshed approach meant less reliance on paper and manual spreadsheets and more time for the team to interpret and analyze the data. It also took full advantage of the built-in automation tools like the Advanced AP feature, eliminating the need to manually enter transactions.

## Better Reporting

Antiquated systems typically are lacking in reporting, and Progression was no exception. Mikesh explained some of the pain points. "As the Finance Director, I was spending too much time preparing data, preparing analyses and helping our Finance Team pull together information. Consequently, I spent very little time reviewing and managing the information. This is critical." With Acumatica, Mikesh can pull reports and spend his valuable time analyzing the data to make forward-thinking recommendations rather than preparing historical reports.



*"I was spending too much time preparing data, preparing analyses, and helping our finance team pull together information. Consequently, I spent very little time reviewing and managing the information. This is critical."*

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Now with Acumatica, Portacool can track line performance and costs. Mikesh explained, “We have a lot of manufacturing equipment in our facility. We want to track which lines perform better because we’ve invested multiple millions of dollars in that equipment. Some perform better than others, and we need to know which ones. We also need to know which products are less costly than others.”

When a company has million-dollar pieces of equipment, downtime gets very expensive. With Acumatica, the reporting is granular enough to report at the level needed without jumping through hoops. Not only can Portacool now track costs by SKU, but they can apply standard overhead and hourly rates to jobs automatically.

In addition, Portacool used to send out a daily invoice report that showed revenue billed to date, open orders and what was expected to ship. They would compare it to their budget (if they had time when the email came in). If they did not read the email until late in the day, which happened often, the data was no longer accurate. Acumatica’s reports are refreshable in real-time, so at any point in the day, the team can access correct reports. This helped Portacool become a data-driven organization with informed decisions.

## LOOKING AHEAD

Portacool realizes that they only completed the first step of the transformation. Phase One is completed. They have an intuitive cloud ERP system in place, have the basics set up and their users trained and comfortable. They are now ready for Phase Two - optimization of their processes and deploying advanced functionality of Acumatica.

Acumatica’s data-driven insights, dashboards, alerts and workflows will let Stacey Mikesh direct the finance function, help make data-driven decisions and grow the business. He will have time to deliver strategic initiatives and move the business forward while not spending so much time compiling historical information.

“Whether it be finance or our manufacturing directors, we get paid way too much money to pull together data. We need to be able to get the information we need, timely and accurately to run the business and make decisions quickly,” offered Mikesh.




## ALGORITHM'S ROLE

Portacool continued to be thankful for their relationship with Algorithm and had only positive feedback about working with them through implementation. One thing that stood out was the depth and variety of the team. Portacool felt that there was a nice balance between the different resources, from Jonathan Nelson, Sr. Business Systems Consultant, who knew the Portacool business and was strong in manufacturing to Kristin Christian,

Business Application Consultant, who was a creative problem solver and knew Acumatica financials backwards and forwards. "Kristin from the Algorithm team came out to help with our first month-end close, which is just one example of the continued support that Algorithm has given to us and that will make this transition successful," said Mikesh.

## KEY TAKEAWAYS

If you're thinking about moving to Acumatica or any other ERP, here are some important things to consider in your planning process:

- **Document what is broken or could be improved upon.** Outline the workarounds and paper-based tasks you are using (or let an Algorithm expert help you). What additions are you using and to what extent are they successful? Where do your users and customers get frustrated the most?
  - **Don't replicate existing processes. Dream bigger.** Find a partner that will challenge your methods, what your team really needs vs. wants and what it will take to accomplish these goals. Detailed discovery is an investment that really pays off. You should have a partner that truly understands you, your business and the things that will make you successful.
  - **Ensure you have the right internal team in place.** If your project is mid-to-large size, you absolutely need an internal Project Manager that can focus on the big picture and keep the project on target. Most would argue that a project of any size needs a manager, but it becomes essential when the scope is larger.
  - **Make everyone comfortable with the new system.** If you're replacing a system that has been used for decades, there can be uncertainty in the team. Alleviate issues quickly with documentation of key tasks by role/user and offer frequent training. In addition, make use of the resources that the platform publisher makes available and outline all the new timesaving features.
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# Algorithm

Algorithm stops at nothing to make their customers successful. In a time of self-help, they are accessible and always a phone call or email away, especially with flawless implementation methods, custom applications, process evaluation, upgrades, tools & add-ons, cloud services, customer support, network & IT support and warehouse management.

To learn more, or even if you have a quick question, contact the Algorithm Solutions Team for a no-obligation insightful and immediate response.

[info@algorithminc.com](mailto:info@algorithminc.com)

888-522-8588

[algorithminc.com](http://algorithminc.com)

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