



CUSTOMER SUCCESS STORY

e2b technologies Re-Energizes ERP Implementation at AETI

Companies who fail to reinvent themselves die. That’s not the case for Houston-based AETI (NASDAQ: AETI). AETI was born in the oil and gas industry but it saw itself as a supplier of a larger energy market and transformed itself into a global leader of electrical products and services for oil and gas and renewal energy suppliers as well as marine and industrial customers.

AETI makes the power infrastructure solutions enabling the performance and reliability of the energy industry. AETI’s products include custom power distribution switch-gear equipment, wind converters, and solar inverters with complimentary construction, installation, maintenance, and repair services.

Founded in Beaumont, TX in 1946 as M&I Electric Industries, AETI experienced steady growth through 2003 when the business rapidly changed and expanded through merger and acquisition.

Today AETI has manufacturing operations in Texas, Florida and Mississippi as well as interests in three joint international ventures in Singapore, Xian, China and Macae, Brazil. AETI offers M&I Electric power distribution and control products, electrical services and E&I construction services, as well as American Access Technologies zone enclosures and Omega Metals custom fabrication services. South Coast Electric Systems, LLC, a subsidiary, provides products and services to the Gulf Coast region.

Growing Pains

Growing to more than 400 employees and over \$40 million in revenue, AETI soon outgrew its Sage 100 ERP business software. The logical step was to migrate to Sage 500 ERP designed for larger manufacturers.

AETI’s ERP journey began in the 1990s with Sage 100 ERP. AETI later upgraded to Sage 100 ERP, the client-server edition of the popular ERP software which had been significantly modified. Almost immediately



Company

AETI: American Electric Technologies (NASDAQ: AETI)

Website

www.aeti.com

Industry

Manufacturer of power distribution equipment & systems

Locations

Houston, TX (Headquarters)
Beaumont, TX
Keystone Heights, FL
Bay St. Louis, MS

System Profile

Sage 500 ERP
Sage HRMS
Anytime 500 Enhanced Manufacturing

Challenge

AETI outgrew their existing ERP system and struggled to migrate to a larger system due to lack of knowledge and experience from their previous technology partner.

Solution

AETI selected e2b technologies for ERP services and implemented Anytime 500 Enhanced Manufacturing Suite and Enhanced MRP/DRP for manufacturing.



employees felt that the system had run its course and simply wasn't addressing the company's business needs.

AETI management realized that they needed a more robust system and were not inclined to make additional modifications to the existing system.

According to Apryll LaHaye, the company's controller, "We felt that we just needed to start over. We had outgrown Sage 100 ERP. We needed a system that would address current challenges but also allow for future growth." This took place around the time that the company did a reverse merger and went public.

"We had more of a job cost system and we kept most of the information outside of 100 ERP, recalls LaHaye. "We maintained too many manual spreadsheets and needed a system to report this information for us."

Results
Successful implementation of financials and subsequent implementation of manufacturing for multiple locations. Elimination of unnecessary customizations.

Way Off Course

In early 2007, AETI made the decision to upgrade to Sage 500 ERP. They wanted to take advantage of the richer features and functionality of 500 ERP and avoid the bind that heavy modifications had resulted in. The plan was to implement the system in two phases tackling financials, projects and purchasing first, and then completing the implementation in phase two by installing the manufacturing modules.

AETI's plan of attack gradually went off course. Their solution provider recommended customizing five major processes. This was followed by the recommendation to create extensive and expensive custom reports. Soon, the project had exceeded its original budget and phase one was still a long way from being completed. Phase one eventually went live with core accounting (general ledger, accounts payable, accounts receivable), projects, and purchasing but inadequate training stalled employee proficiency and months went by as AETI's staff struggled to use Sage 500 ERP. Worse yet, there was very little guidance from their consultant. AETI management, unpleased and determined to correct the situation, decided to make a change.

Back on Track

e2b technologies was brought in to salvage phase one and to initiate phase two of the implementation. e2b consultants worked closely with AETI employees to eliminate all of the unnecessary customizations from phase one during the phase two manufacturing implementation. AETI went live with the manufacturing system in May 2011. AETI continues to process payroll in-house with Sage HRMS which is tightly integrated with the Sage 500 ERP general ledger. Upon the advice of e2b, AETI made only a few minor modifications to 500 ERP to support their global operations. e2b technologies was able to greatly simplify the existing Sage 500 ERP configuration and successfully implemented the manufacturing modules - all within the agreed upon timeframe and budget.



ERP Success

Sage 500 ERP and e2b teknologies' help, AETI employees now keep much less information in spreadsheets and external applications. The company has seen substantial benefit through the use of automated inventory tracking which was an entirely manual process before the new system was implemented correctly. Now, AETI staff can track real-time inventory.

AETI's manufacturing facility has integration between payroll and the general ledger which has been a godsend for the accounting department. Further, labor costs can now be calculated with precision – a major benefit, since those costs represent such a significant portion of AETI's business.

The AETI team has also enjoyed great improvements with regards to reporting. "Using Crystal Reports, we can develop our own custom reports. We can easily explore anything in the Sage 500 ERP data," says LaHaye. "It is absolutely wonderful."

AETI now has better access to information, better reporting, and fewer inventory-related errors. AETI and LaHaye couldn't be more pleased with e2b teknologies. "I like their professionalism. e2b consultants are very helpful and they are exactly what we were looking for in a technology partner – especially given their deep manufacturing knowledge and success working with larger, complex implementations like ours. They understand the software, they take the time to understand our business, and everything is working wonderfully. It was a very good experience from start to finish."

"I was pretty nervous when our former technology partner told us they would no longer be supporting our customizations. I reached out to e2b teknologies because I've followed their company on various forums for years and was always impressed with their technical knowledge and success."

- Tim Linstrom,
Senior Manager
of Software Support