

Quality Handmade Ceramics Manufacturer Gains a Competitive Edge with Acumatica Cloud ERP

OVERVIEW

Midaya Ceramic Company has a rich history as one of the most preferred ceramics manufacturers in the world working with high-end brands including Royal Doulton, Susie Watson Designs, Moorland Pottery and Floral Society. Faced with low-priced competition from China, Midaya Ceramic Company changed its strategy to focus on higher quality products, a move that required overhauling its legacy technology and manual processes. Executives deployed Acumatica Cloud ERP gaining operational visibility allowing them to make data-driven decisions, automate processes, and improve inventory management.

KEY RESULTS

- Acquired an affordable cloud-based solution, gaining access from anywhere
- Obtained data visibility it lacked previously, allowing data-driven insights that improved sales and profit margins
- Improved inventory and production management, streamlining BOM needs, becoming more efficient
- Gained an easy-to-use application with access for everyone, reducing time to train new employees while boosting productivity
- Eliminated duplicate data entry, improving data accuracy and saving time
- Reduced excess inventory, improving cash flow
- Obtained a digital backup solution with real-time access to historical data, eliminating the need for paper storage and streamlining auditing retrieval
- Provided a connected platform that helps maintain a high level of customer satisfaction while increasing its market competitiveness

CHALLENGES

Established in 1968, Midaya Ceramic Company is a design studio and factory catering to ceramic manufacturers and designers worldwide. The company produces a range of high-quality, hand-made ceramics for international clients including Denmark's Hay, Sweden's Hem, Iittala of Finland, and the UK's Royal Doulton, Susie Watson Designs, Moorland Pottery, and Hanna Turner. It also works with Maomi in Germany, the Floral Society and Sir Madam in the United States, and Oh Flora, based in Australia.

The family-owned business is equipped with its own in-house crushing plant, slip house, mold-making department, laboratory, design studio, and packaging plant. Midaya's laboratory produces a wide range of fritted and raw glazes, engobes, and color stains.

In its design studio, concept designs or simple sketches are transformed into sculptures and later into sample molds. The company works simultaneously with Earthenware, Stoneware, Terracotta, Porcelain, and color-stained bodies. Most products at Midaya are hand decorated, making each piece unique.

Midaya, which employs approximately 250, had great success making ceramics—mostly figurines—for major brands until the early 2000s when it began fiercely competing with lower-priced Chinese-made ceramics.

Suddenly Not Competitive

Anura Warnakulasooriya, who had graduated college in the United States and was working in the technology industry, received a call from his dad, Dayasiri. "I got an SOS call from Dad who said he had a lot of workers but not enough work," Anura recalls. "The first thing I did was go to China to figure out how to compete."



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Company

Midaya Ceramic Company
www.midaya.com

Industry

Manufacturing and Distribution:
Handmade Ceramics,
Home Décor Products

Number of Employees

Approx. 250 full time employees


Location


Sri Lanka


Products

Acumatica Distribution Edition with:
• Advanced Financial Management
including multiple currencies

Customer Social Sharing Details

 www.facebook.com/Midayaco

 www.youtube.com/@midayaceramic4379

 www.instagram.com/midayaco/?hl=en

Partner Details



Enterprise Analytics (Pvt) Ltd
www.e-analytics.com

The trip was a sobering experience, one where he learned the family business couldn't survive competing at such low-price points. "So, I looked at what they couldn't do, what they didn't want to do, and that's where we could score," he says.

Back in Sri Lanka, he focused on a new business strategy and employed a fresh approach to the business that already had such a rich history. Rather than creating mass quantities of consumer goods, Midaya could make high-quality, hand-made items and cater to a clientele that needed smaller quantities. Instead of relying on five or six very large brands, the company could cast a wider net by establishing a foothold in Europe and the UK offering higher-end products to a wide variety of customers.

Instead of making figurines, Midaya makes a variety of ceramics from lamps to vases to fashion accessories to kitchen decorations and sells them to various niche markets. Anura also opened two retail stores to sell its own ceramics.

Inefficient Operations

Armed with a new plan, Anura then tackled operations, which he knew needed to be much more efficient and streamlined if the new strategy was going to find success. The company ran on Tally (an accounting package out of India) and used Google Sheets and Excel to handle all other data.

"We had a manual process that was okay, but our biggest problem was duplication of data," he says. "We do a lot of data collection—data on quality and rejections for example. Making sure the data wasn't duplicated was a pain."

Trying to track products as they flow through manufacturing was taxing at best.

Making a custom ceramic item takes 14 to 16 steps, explains Anura. The company's library of SKU numbers is in the tens of thousands. But at any one time, they could be making 300 different items for 12 to 20 different customers. Some items have to go through specific departments multiple times to get to final production.

"For example, some items need to go through three firings after various other processes so our production can get quite complicated," he says. "Almost all items are exclusive, so we don't take that item and reproduce it for anyone else. And remember, everything is handmade. We use molds to get a basic shape but the finishing, polishing, glazing, and everything else is done by hand."

Making hand-made ceramic items requires incredible skill. "It takes a year to get trained in the art of manufacturing; we have ceramic magicians," says Anura. "What they make a lot of people don't believe was made by hand."

Too Much Stock on Hand

Without an accurate inventory count, Midaya made more products to make sure they wouldn't run out if something broke or cracked. Without good data to know which product type or color or customer was more or most profitable, they continued making anything for anybody. Excess inventory tied up cash and cut into profits.

ERP Wish List

Anura, who worked in technology before joining the family business, knew he needed to get access to better data and have it all in one system. "I looked for an ERP system for about a year, but I didn't have a budget for an expensive, high-end ERP like SAP that would have taken us a long time to implement," he says, "I tried someone local, but when they saw our processes, they said their product was not geared to something this complicated."

He then looked at a popular ERP and saw a demo, but reference checks steered him in a different direction. "At that time, it was expensive, and a friend in the UK said it was complicated and hard to use. So, I had no good confidence in it. He also informed me that it charges by the number of users, and I wasn't sure how many we would grow to once we started training everyone."



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“If you are trying to make sense of your data and want a cloud solution at a good price point, choose Acumatica.”

– Anura Warnakulasooriya,
Managing Director,
Midaya Ceramic Company

SOLUTION

Acumatica's Unlimited User Pricing Model Is the Key

Anura says he learned about Acumatica Cloud ERP from a cold call. He liked that Acumatica offered an all-in-one system with robust functionality and that it was easy to use, which further meant it would be easy to train employees and easy to manage since he wouldn't need an IT team to manage it.

He also liked Acumatica's unique pricing model, which allows him to have all employees using the application, and the stability of having the platform running and backed up in the cloud since power outages are frequent in Sri Lanka.

"Because the user pricing is unlimited, the more people I can train, the more they can access the system and enter the daily information," he says.

He also liked that Acumatica's licensing was good for the two companies.

"We have a sister company that makes packaging," he says. "It used to be part of Midaya because it was hard to find the specific packaging we needed for ceramics. Soon the demand for its services outgrew the ceramics market and we spun it out. They have grown substantially since then and are larger than Midaya, in fact."

Anura's older brother runs the packaging company, and they will implement Acumatica next. "When you take the cost and divide it by the two companies, it makes a lot of sense," he says, adding that the cost is very affordable compared to what it could have been if they went with Oracle NetSuite and were charged per user for more than 400 employees in total.

Eranda Maldeniya at Acumatica partner Enterprise Analytics (Pvt) Ltd handled the Midaya Ceramic deployment. Before deployment, the team examined its processes, formalized them, and mapped them so they flowed smoothly in Acumatica.

Following formal processes instilled discipline the company sometimes lacked since the new system required steps that had to be completed before an item moved through each stage of the manufacturing process. Employees learned they couldn't just skip steps or data entry or change things here or there.

"The discipline was good for Midaya," Anura says. "Remember, we were going from a very manual system so employees needed to understand the value of entering data into the new tool."

Overall, the implementation went well, he says. "Enterprise Analytics was very helpful."

BENEFITS

All-in-One Solution for Data

"All of our information is now in one place, it's accessible from anywhere, and we get notifications to stay on top of the data," Anura says. "We now have the option to work from home which we couldn't do before."

Rather than spending a lot of time combing through paper-based data, creating spreadsheets, and consolidating data only to get a semi-accurate historical data view, Midaya now has real-time information on which to make better, more accurate decisions.

"We've saved a lot of time not having to look for things," Anura says. "If I wanted to find out how much customers owed before, I would call the accountant or the accounts team. Now I just look at Acumatica. I can tell a customer what's due, or what they still owe. All department heads can access the data."

Anura also has access to data he didn't have previously. "Now I know what customers to concentrate on, what not to concentrate on, and I have better data to help guide our customers to make better decisions when working on projects," he says.

Having a better understanding of what's selling in the retail store helps him decide what items to continue making and which to discontinue. It also allows him to test items locally before offering them—and investing in more items—for international markets under its own label.



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Improved Inventory Management

“Having access to real-time inventory is a big plus,” he says. “We used to have a big buffer when it comes to inventory on hand, but we lowered that because we can see inventory as it’s updated in real-time.”

Midaya is also looking at deploying Acumatica’s Production Management module to help the production team understand even further what’s been ordered and what their future production needs are so they can plan their bill of materials and understand what they may need to order.

“There is no need to have everything be just a guess,” Anura says. “We can see what production is doing. If we have a lot of hand-painting orders for two or three months, we can better understand our backlogs. We hope to streamline the order-to-production process further, add automated workflows like sending out automatic emails about payments, add flags to better track and follow up with customers who don’t pay on time, and automatically put customers on payment hold without us having to do it manually.”

Because Acumatica is a fully digital platform that is backed up online, Midaya no longer stores boxes and boxes of historical information on paper. “We’re required to keep records for 10 years. Now we’re getting used to just scanning and uploading files to Acumatica. If we get audited, all we must do is provide online access or get a printout. Nothing gets lost or missed.”

A Platform for Growth and the Future

Deploying Acumatica is a big step for a small to medium-sized business like Midaya, Anura says. “But it is a good step in the long run if you are a growing business as we are and want to keep data secure and in one place,” he says. “And if you are struggling to make sense of your data and want a cloud solution at a good price point, Acumatica can absolutely help. It’s a viable option if, like us, you don’t have an ERP or if you are on a legacy system.”

Having a strong technology platform is helping Midaya grow and regain its competitive edge.

“Our competitive edge lies in our readiness to go the extra mile to meet client expectations and needs, as well as deliver goods on time,” says Anura. “Acumatica allows us to meet those goals with real-time data that we can use to make better decisions and react quickly.”



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