

Forward Thinking SpaceManager Closets Organizes IT Systems with Acumatica Manufacturing Edition



OVERVIEW

When Francis Nwabudike launched SpaceManager Closets, he relied on QuickBooks Online, a CRM for roofers, and spreadsheets to track inventory and field service. He quickly recognized his disconnected systems weren't going to support his aggressive growth plan. SpaceManager deployed Acumatica Manufacturing Edition, gaining an affordable, all-in-one business solution for manufacturing, inventory, field service, and financial management with native CRM.

KEY RESULTS

- Decreased cost of goods sold by 30 percent, capitalizing on new insights for bulk material purchases
- Gained a connected and modern manufacturing platform with bills of material and production management, streamlining operations
- Reduced errors dramatically with accurate inventory information, improving customer satisfaction
- Optimized inventory with time-phased material requirements planning, improving production
- Eliminated custom development and internal support, gaining Acumatica's slow-code and no-code personalization
- Saved money and encouraged growth with Acumatica's pricing model, enabling access for all
- Extended core system features with seamless connections to third-party applications, gaining additional functionality
- Boosted gross margins with improved inventory tracking, gaining more efficient operations
- Connected remote installers with native field service management and mobile apps, improving scheduling and productivity

CHALLENGES

Tired of traveling globally for large manufacturing firms, Francis Nwabudike decided to go into business for himself, starting SpaceManager Closets. The company designs, manufactures and installs custom-built closets and later added custom-designed and manufactured home office cabinets, pantry closets, garage cabinets, wall beds/murphy beds, entertainment systems, and more.

Operating in a state-of-the-art manufacturing facility in Houston, TX, SpaceManager Closets uses the latest in CAD design technology to create 3D renderings of a customer's design, which then feed directly into its manufacturing equipment and processes. Each storage system is manufactured by a dedicated team guiding the production from start to finish. The custom cabinetry and hardware then are installed by trained SpaceManager installers.

The SpaceManager Closets team is passionate about making life more "efficient and enjoyable by providing intelligent closet storage solutions that put things in their proper place." The company is laser-focused on providing quality products and exceptional customer service.

Like many small firms starting out, Nwabudike launched the company with QuickBooks Online. "it's a nice piece of software but limited," he says.

SpaceManager also used Job Nimbus, a CRM for the roofing industry. "It was pretty decent, and because my business has a mobile sales team, I needed a way to capture data and manage the process," he says. Job Nimbus helped him manage the field side of the business, but it didn't do anything else. And QuickBooks Online, while also decent, he says, didn't have a robust CRM.

"We quickly saw everything was becoming limited and began using spreadsheets to manage things. But my goal is to grow as fast as I can for as long as I can, so it was very obvious in our first year that we weren't going to make it with QuickBooks."

Company

SpaceManager Closets
www.spacemanager.com

Industry

Manufacturing: Custom Designed and Manufactured Home Organizational Systems

Number of Employees

Approx. 45 full time employees

Location

Houston, TX

Products

Acumatica Manufacturing Edition with:

- Financials
- Multiple Currencies
- Consolidation
- Monitoring and Automation
- Inventory Control
- Order Management
- Manufacturing
- MRP
- CRM
- Outlook Add-in
- Service Management

Customer Social Sharing Details



www.facebook.com/spacemanagerclosets



www.instagram.com/spacemanagerclosets



www.twitter.com/spacemanagercls



www.youtube.com/@spacemanagerclosets



www.linkedin.com/company/spacemanager

Partner Details



ASWi
www.aswius.com

Needed: Standalone, More Efficient Platform

Nwabudike's long term plan is to expand into other Texas markets, and then grow regionally. But first, he needed to create a standalone operation with efficient systems and processes that could be replicated easily and affordably.

Multiple applications were required to manage inventory, which ended up causing problems. "We didn't have a purchasing system, and purchase orders only had a customer name and a date. We didn't have a receiving system and we could never tell how much we had in inventory," Nwabudike says. "We only did an annual inventory count, which obviously is not a good place to be."

Without efficient processes, the company stumbled as it started to grow. "We didn't have inventory to grow, and we were missing raw materials in the first six months."

Nwabudike realized he needed other applications to gain the functionality he wanted but knew, having worked in larger organizations, that he didn't want to build a siloed system.

He had worked with several ERPs while at large companies. "SAP, while pretty complicated, worked well, but I know we had a humongous bill and needed an army of people to run it," he says. "I never knew what they did and didn't want to do that because we couldn't afford to hire someone just to run the ERP."

Nwabudike wanted a modern manufacturing-based solution that could manage the company's purchasing, inventory, manufacturing, field service, financial management, and customer needs in one place. He wanted it to be cloud-based and affordable.

"It wasn't an easy search," he says. He evaluated Oracle NetSuite, Microsoft Dynamics 365 Business Central, and Acumatica Cloud ERP.

SOLUTION

Affordable Manufacturing Platform

All three ERPs offered financial management, manufacturing, and field service capabilities. "But NetSuite didn't have field services natively, and neither did Dynamics but they had limited features, which was not very attractive to me."

One of the bigger stumbling blocks with the two alternative offerings was the cost. "NetSuite had per-user licensing, which, if you are trying to grow, doesn't offer a predictable cost as you add employees. And then you have different levels of users where some are like me - on for five or six hours - and then others might log in during the morning and then once at night, but the cost per user was the same."

"Microsoft Dynamics Business Central just seemed very clunky and wasn't what I expected from modern software. I didn't like the licensing model or the general feel. It wasn't smooth or modern," Nwabudike says.

Acumatica Manufacturing Edition

Nwabudike had not heard of Acumatica and was surprised at its breadth of functionality. "When I discovered Acumatica, I was quite surprised that anything like that existed," he says. "I was amazed that it could do all the things that it could do."

Acumatica Manufacturing Edition, he learned, was designed for make-to-stock, make-to-order, configure-to-order, engineer-to-order, and project-centric manufacturers. Native apps connect data and business processes for engineering change control, production management, material planning, advanced planning and scheduling, estimating, and rules-based product configuration.

Features such as kitting with disassembly, matrix items for product families, engineering change control, outside processing, lot and serial tracking, and demand forecasting enable productivity across departments. The connected platform allows manufacturers to create production orders manually, from the material requirements planning (MRP) application, or sales orders.

Since he was bootstrapping his company, he was impressed with Acumatica Manufacturing Edition's unique licensing model, the system's flexibility, and ease-of-use allowing him to implement and support the platform with minimal IT and development resources.



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— Francis Nwabudike,
President and CEO,
SpaceManager Closets

"I wanted a system that did not have a cost every time I wanted to do something," Nwabudike says. "Because I am trying to keep costs down, I don't want to hire a consultant if I want to change a variable."

He also liked that Acumatica was cloud-based, had a mobile app, offered payment integration, and offered an open API for easy connections to third-party applications.

"Acumatica made this so easy (to operate) with user-defined fields, which means you don't have to have anyone help you run the system outside of the initial setup," he says. "You can do most of it yourself."

SpaceManager worked with Acumatica partner ASWI to deploy the business management solution in just four months. "ASWI said the implementation would take 6 to 9 months, but I had to be done before the end of the year because I didn't want to limp into another year with QuickBooks."



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BENEFITS

Eliminated Inventory Problems

Within the first year of using Acumatica Manufacturing, Nwabudike says they resolved 95% of their inventory challenges.

They've also utilized Acumatica's real-time data, helping shop-floor employees do their jobs efficiently. The leadership team makes smarter, more strategic business decisions, such as buying materials in bulk, and ensuring they have items they need in inventory while simultaneously reducing material costs.

With a full year operating on Acumatica, Nwabudike reviewed a year's worth of data to figure out material consumption rates. The company had struggled to keep several items in stock during the global supply chain storages caused by pandemic shutdowns.

"I made the decision to buy in bulk, which I couldn't do before," he says. "Looking at the data, I realized we could leverage our size to reduce costs. I made our first international purchase because it made sense to buy 6 to 9 months of inventory and save 30 percent. Decisions like that have paid off significantly."

Reduced Errors, Improved Quality Control

SpaceManager Closets didn't have a formal quality control process and relied on employee experience to estimate the ancillary knobs, pulls, and other components needed for storage projects. "We never had a way to properly account for those items besides paper verification and know that a project was supposed to have six of these and seven of these," he says. "With 2,000 to 3,000 SKUs, it was almost impossible to manage without a system."

The company stocked one handle style in 15 colors, but only used a general SKU description, he says. Without documentation on the proper color needed, the company wasted a lot of time when installers didn't have the right parts on hand in the field.

"Now when we sell a project, the proper SKUs are included and flow through the system. This drastically reduced errors," Nwabudike says. "At the picking point, you arrive with the right parts. If I sell you a closet and ask for 50 percent down and promise I will install it in six weeks, the customer expects that we will purchase all the items and come to their home six weeks later. To say we don't have all the right parts is not acceptable."

Not only did wrong colors or missing parts waste time but these errors also reduced the company's profit margins.

"A lot of homeowners wanted a concession, and don't consider that we spent the same money twice. Instead, they had to take off work twice, and want something for their trouble," Nwabudike says. "You can imagine what it did to margins. It's hard to measure, but we had a lot of loss there."

With an improved workflow and better data, Acumatica has helped reverse margin erosion and improved overall customer satisfaction due to excellent service delivery. "We're making good strides now," Nwabudike says.

Improved Customer Service and Customer Experience

Acumatica's CRM helped SpaceManager refine its opportunity pipeline, better understand where profitable leads come from, and calculate cost per lead.

"In the past, I used a spreadsheet to capture data from job numbers and then retrieved data from QuickBooks, but I never knew what our ROI was on different spend on channels," he says.

Now he has a system built around different purchase stages and customer's likelihood to buy since an opportunity takes time to turn into a purchase. "Now we understand how much we are going to sell in a month."

"The other thing we look at is how many leads are getting from all these different marketing channels and how do they flow through the system to the sale."

It is important to see data flow throughout the system to capture the opportunity process from a lead to a sale through execution and invoice to understand how much the company spent to get that lead, he says.

Nwabudike also has real-time data he uses to evaluate the sales team, providing insights into reps with higher close rates and personnel that need additional coaching. "Before, we were doing nothing," he says.

Automated Processes Improved Customer Communication

SpaceManager created an automated email series to update customers on their purchase and delivery schedules. "Before, we would take the customer's money and they'd never hear from us again for six weeks," he says. "People would call us and didn't like that they had to chase us around. We didn't have the bandwidth to call people, so one of the first things I did was create automated notifications, which are very nice and personal."

Nwabudike set up the automated email and text notifications himself using Acumatica's low-code, no code capabilities, processes without developer assistance.

He plans to automate processes around payments and deposits to make sure the company accounts for cash appropriately for work they perform.

After perfecting its Acumatica Manufacturing installation, SpaceManager Closets rolled out Acumatica Field Service, supporting the company's 15 or so field-based installers. The Field Service application includes a scheduling feature that lets SpaceManager schedule people over multiple days and create teams of people assigned to a single project.

Nwabudike plans to create checklists to remind installers to take photos, upload receipts, and provide final approval paperwork in the field from the customer's home or office. These tasks are often overlooked and required when a customer questions a project's status.

Acumatica: Lifeblood of the Company

While Acumatica has many third-party applications available should SpaceManager need very specific functionality, Nwabudike says Acumatica's breadth and depth of functionality in its out-of-the box platform provides everything he needs for now. However, he is more confident in the future, knowing that as his company grows, additional functionality can be added seamlessly.

"There's nothing we do that doesn't include Acumatica," Nwabudike says. "Acumatica is literally the lifeblood of our business. There's a whole lot of data that's now available to us to make smarter decisions."

