CATALYST BY EBM SOFTWARE

Chandler Industries uses EBM Catalyst Software to drive impressive revenue & profitability gains.

ORGANIZATION:
Chandler Industries

LOCATION:
Minneapolis, MN

INDUSTRY:
Machining & Fabrication

> *"When I started, we used to spend all our time just getting the numbers out. I used to cross my fingers every month hoping 2+2=4. The biggest difference since implementing Catalyst has been the quality and speed of information. You can't do much until you have that."*

-Patrick O'Neill, CFO

Case Study

Chandler Industries

Enhanced speed, accuracy and visibility in reporting helped the machining company identify opportunities and quickly capitalize on them.

Organization Information

- $70MM precision machining company specializing in aerospace, defense, industrial, medical and other markets. 5 locations throughout U.S. and Mexico.
- PE Firm assembled Chandler Industries through a series of acquisitions – each of the 5 companies came different financial databases and structures.
- Labor Productivity and Machine Utilization are key metrics leading to profitability.

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Case Study
Chandler Industries

"We've become a much better operating company with the timeliness and accuracy of the information. We can ask more pointed questions."

-Patrick O'Neill, CFO

60%
SALES INCREASE
from 2016-2019

Problems Identified:

- With 5 different databases running on two different ERP systems, consolidation and reporting were slow, laborious and offered questionable accuracy.
- No time left for value-added activities that move the business forward.
- Multiple sources of "truth" resulting in conflicting data.

Solutions Implemented:

- Implemented Catalyst by EBM Software, consolidating all disparate databases into one view and structure.
- Used Catalyst's reporting tools to cut reporting cycle time and eliminate errors, allowing more time for high-quality analysis.
- Utilized Catalyst's unlimited user licenses to democratize high-quality data throughout the organization, creating a single source of truth.

Benefits Realized:

- **66% DECREASE** in reporting cycle time
- **1 SOURCE** of truth for data
- **500 BASIS POINTS** EBITDA growth in 3 years
- **60% SALES INCREASE** from 2016-2019

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"Obviously, there's a shelf life to information – the longer it takes to get out, the less value it has. Catalyst allows us to ask more time-relevant questions and make more time-relevant changes."

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66%
DECREASE
in reporting cycle time

A Growing Need

Starting with a modest machine shop in Montevideo, MN in the 1960's, Chandler Industries grew into a thriving business. After being acquired by Arch Equity Partners in 2011, the company would enter into a new phase of growth, as the PE firm added 4 more locations under the wings of Chandler through a series of strategic acquisitions.

As is often the case, with each acquisition came more complexity. Chandler was now dealing with 5 different databases, running on 2 different ERP systems. Reporting became a slow and laborious process.

"When I started in 2015, we used to spend all our time just getting the numbers out. I used to cross my fingers every month hoping 2+2=4," says CFO Patrick ONeill. "Excel is a marvelous tool, but linking everything and getting it to repeatedly give you the same answer was very difficult and very, very time consuming. It was fraught with inaccuracies, and on top of that, any time you wanted to make a change, it was... bad."

A Game-Changing Solution

Knowing the current solution wasn't sustainable, Chandler turned to the EBM Software team, who helped them implement the Catalyst Business Performance Software. Catalyst was configured to sit on top of all 5 databases, regardless of the ERP, and consolidate all the financial information into one simple, drillable view.

"Before we had Catalyst, it took us about 15 days to get our monthly reporting. Now I can do it in 3-5 days, and at the end of that 5 days, I have higher quality information," says O'Neill. "Obviously, there's a shelf life to information – the longer it takes to get out, the less value it has. Catalyst allows us to ask

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"If you have multiple locations on different ERP systems and you're struggling in the 'Excel hell,' this is the way to go. It's affordable, it's easy to use and the support has been great."

-Patrick O'Neill, CFO

500
BASIS POINTS
EBITDA growth in 3 years

more time-relevant questions and make more time-relevant changes to reduce costs, increase revenue, all of that. With that extra time, I can put together a more detailed financial analysis, that's more laser-focused."

With the additional time saved, Chandler Industries was able to begin to drill into different areas of the business and find opportunities to increase profitability and productivity. "We're able to filter and drill down on the different locations. Say we see our revenue is off... why is it off? I just click on it and can see what site it is. I answer that first question instantly and it gets me to the next question. Analytically, it gets me where I need to focus in record time."

A Clear Path to ROI

According to O'Neill, the extra time freed up valuable intellectual horsepower for the team. This contributed to a profitability increase of nearly 500 basis points over the first 3 years of using the tool.

The software helped Chandler Industries find opportunities for greater efficiencies in operations at different locations. When metrics like labor productivity and machine utilization directly contribute to the company's revenue figures, this is a game changer for the business.

Catalyst allowed Chandler to easily see, location by location, where there was room for improvement, providing straightforward direction for decisions that would result in more revenue for the business. Aided by solid organic growth and the newfound efficiencies found through the Catalyst software, Chandler was able to grow sales by a stunning 60% between 2016 and 2019.

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more pointed questions," says O'Neill. "We're a custom machining house, so machine time and machinists' time are critical. In the time we save on fundamental reporting, we can use that to ask better questions about utilization of machines and machinists."

When asked if he would recommend the Catalyst software to others, O'Neill leaves no room for doubt. "Oh, I recommend it all the time. If you have multiple locations on different ERP systems and you're struggling in the 'Excel hell,' this is the way to go. It's affordable, it's easy to use and the support has been great."

1
SOURCE
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