

Cohesant, Inc. is a diversified holding company that acquires, grows, and divests a variety of wholly-owned subsidiaries. These businesses typically focus on the niche market of water infrastructure.

Subsidiaries included GlasCraft Inc., CuraFlo®, and Raven Lining Systems. Each subsidiary manufactures and distributes equipment or materials used in the repair and protection of water and waste water infrastructure such as pipes, treatment plants, water tanks, or lift stations.

Cohesant has been ranked among the 200 Best Small Companies by *Forbes Magazine* and was named one of the fastest growing small public companies in America by *Fortune Small Business Magazine*.

## Challenge

Cohesant, Inc. needed an Enterprise Resource Planning (ERP) system flexible enough to handle multiple companies with various manufacturing environments. Cohesant planned to expand through targeted acquisitions, but limitations of the existing AS/400 software made the expansion unfeasible.

These limitations became clear when the company tried to utilize the same software at different subsidiaries which had different types of manufacturing operations.

Glascraft, Inc. was operating on a legacy AS/400 software for its discrete manufacturing business. Deploying this same system into Raven Lining failed because the software could not handle its process manufacturing requirements.

At the corporate level, executives were unable to get a clear picture of the operational realities of each business. The existing system only provided high-level reports with overall financial results when Cohesant executives needed in-depth, detailed product and geographic market reports in order to manage the business effectively.

## Solution

Because Cohesant's leadership team was committed to growing, the executive team led a comprehensive review of the Enterprise Resource Planning (ERP) system market to find a better solution to meet their business needs. They narrowed the field down to three potential solutions including Microsoft's Dynamics AX.

Steve Goden, Senior Vice President of Cohesant, Inc. had experience leading selection and implementation projects of new ERP solutions. So he understood that selecting the right partner to provide the consulting and implementation of the new ERP system was pivotal to the success of the new ERP solution.

Agility Business Solutions, Inc. (ABS) is a world class firm specializing in the implementation of Enterprise Resource Planning (ERP) systems for manufacturers and distributors.



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Senior Vice President



With over twenty years of real-life manufacturing experience, Agility Business Solutions, Inc. (ABS) was introduced by Microsoft Corporation as the best solution partner to work with the Cohesant team. Cohesant executives determined that Dynamics AX would offer the greatest flexibility for their multi-company environment. Since Dynamics AX is a Microsoft product the integration with the existing Microsoft infrastructure was also a deciding factor in selecting Dynamics AX.

## Benefits

### Cost Reduction

Combining the robust functionality of Dynamics AX with Agility's in-depth consulting expertise, Cohesant has achieved measurable cost savings. With the vastly improved inventory management system, inventory turns improved dramatically. Carrying costs for slow moving items have been reduced.

For example, at GlasCraft, pre-Dynamics inventory was only turning 1.74 times. After implementing, turns rose steadily and by the time GlasCraft was sold, inventory was turning 3.20 times, an 84% improvement. This obviously had a significant positive impact, as the average inventory pre-Dynamics was nearly \$3 million – and the company's revenues grew at 15+% annually during that time.

At Raven Linings, pre-Dynamics inventory was only turning 8.8 times. Since implementing, turns dramatically increased to 30.4 turns. The company is roughly 45% larger today than when Dynamics was implemented. "We couldn't have sustained the growth had we not invested in Dynamics and realized these improvements," says Goden.

Cohesant no longer needs to support and maintain the legacy system's specialized hardware since Dynamics AX runs on the widely accepted Intel-based platform. This dramatically reduced hardware maintenance and costs. Employee acceptance using the familiar Microsoft solution has increased efficiency and productivity.

### Business Intelligence

Dynamics AX provides insightful business intelligence. Executives at Cohesant now access information providing a clear understanding of product line and divisional profitability. Using the Dynamics AX customizable tools they are able to analyze in-depth product costing to identify opportunities for margin improvement which positively impacts profitability.

### Flexibility

Dynamics AX offers flexibility empowering employees to access any needed information. For example, Cohesant employees can easily adapt the system to meet specialized needs and requirements for each business, while still maintaining consistent financial reporting and efficient corporate consolidation.

**Microsoft** Partner

Gold Enterprise Resource Planning  
Silver Data Platform

