

CASE STUDY



“The improved efficiency has allowed Matheus Lumber to increase Sales by 60 % without adding additional staff. ” David Kahle, Controller

Client Profile

MATHEUS LUMBER COMPANY, INC. has been a mill-direct wholesale distributor of forest products since 1932. They service heavy construction, multi-family residential, commercial contractors, treating plants, government agencies, and global export markets. With over 72 years of experience, Matheus Lumber Company is a leader in the industry.

Matheus Lumber is also pleased to offer turn-key framing packages. This can include lumber, engineered wood products and wall-panelization all through qualified framing contractors.

Product Line

Lumber and Timber: All sizes, rough or surfaced, treated and untreated, from dunnage to finish.

Sheathing: Rated plywood and OSB, rough and sanded, siding and paneling, forming and underlayments.

Concrete Forms: Stock all types and grades from BBX-OES to HDO 100/100 for achieving one to one hundred pours.

Engineered Wood Products: All sizes, truss type, cantilevered, treated and prefabricated.

Species: Douglas-fir, Hemlock, Spruce-Pine-Fir, Western Red Cedar, Redwood and some hardwoods..

Fabrication

Matheus Lumber has specialized in the fabrication of wood members for 25 years. This includes drilling, trimming, and assembly of treated members. The following are examples of available products: tunnel lagging, crane mats, bridge timbers, floats, railroad ties, docks and piers, guard rail posts, form panels, piling, timber trusses, keel blocks, special crates, and truck bed lumber. Furthermore, we can dap, adze, bore, cant, cut curves, dado and trim when required prior to preservative treatments.

Specialties

Treating Plants: Kiln-dried Hem-fir and Douglas-fir, utility through select structural.

Concrete Form: Green Douglas-fir, 2x4 through 2x12, 3x4 through 6x12, BBX, MDO, HDO and Industrial TrusJoist.

Multi-Family: Kiln-dried studs, pre-cut header packages, gypsum sheathing, OSB, and underlayment. All sizes of LVL, LSL, PSL, and I-joists. Western Red Cedar and primed whitewood in sidings, fascia, and trim.

Export: Metric commons and uppers under "R" list.

Locations



Matheus Lumber Company, Inc. is a true global distribution company, providing products not only throughout North America, but also Japan, China, Australia, and other Far East territories.

Seattle, WA-- Our Woodinville distribution yard provides products and services including the consolidation and loading of flats and containers for overseas shipments.

Vancouver, WA-- Our sales office provides services to our Southwest Washington and Oregon customers.

Western States-- Within our region, Matheus Lumber has become well known for our ability to make prompt, competitively priced deliveries. Whether it's from our own distribution yard in Woodinville or from other yards with which we have reciprocal arrangements, we are able to extend our full-line of services and products.

U.S.-- Among our specialties are concrete form panels and lumber. Combining these two **products allows us to be very competitive to job sites throughout the country.** Working with over 1,000 sawmills across the U.S. and Canada, we can supply any job site with additional framing materials.

Global-- Since acquiring our distribution yard in Woodinville, Washington, we have expanded services to include the Pacific Rim regions and other world ports. Close proximity to most of the major shipping lines enables us to load ocean-going freight and have them delivered to the docks in a timely manner.

Objectives

The initial challenge for Matheus Lumber Company was the Year 2000 programming bug.

David Kahle, the company controller identified the requirement for an automated end-to-end transaction processing and reporting system that would be more suited for their need. Their existing IBM System 36 had a number of short-comings which necessitate a lot of manual processing – they didn't have an accurate or complete view of their operations.

The ultimate objective was to achieve end-to-end integration across the company's operations, from real-time sales order processing with on-line credit checking and enquiry, through interfacing to inventory and production, to timely, accurate delivery to the customer. The company was looking for a flexible inventory and billing system, with the ability to handle multiple units of measures and tallies.

Scope

Back in 1999, the search began to replace the ageing IBM System 36 proprietary legacy system. The main criteria for the software selection was package that was closest to what they do; a proven track record for the supplier; full year 2000 compliance; easy maintenance; and ease of use.

In evaluating replacement systems, Matheus surveyed and had demonstration from the leading vendors in the Lumber Products Software industry. At the same time, they were looking for a supplier who was really willing to work with them to satisfy the unique requirements of their business. The quality of the supplier's technical support was a key issue.

The system has the full suite of modules to cover the company's finance, wholesale operations and international business and supports 24+ users:

Lumber Management	Financial Management
Inventory Management	General Ledger
Order Entry & Invoicing	Accounts Receivable
Purchasing & Receiving	Accounts Payable
Re-manufacturing	
Transportation Center	System Management
Traders' Worksheets	

The company's computing infrastructure consists of LAN & WAN. The WAN connections are handled through the Internet, using VNC.

Approach & Timelines

One of the key success factors was the commitment and effort of WoodPro and the approach that the company took towards the implementation.

1. With the commitment of management and staff, the whole system was implemented in a time frame of just six weeks.
2. A key factor was the commitment and effort of the WoodPro staff. The handling of the customization, and the solving of all the operational issues was excellent. In places where Matheus thought the system would do one thing, and if in reality it did something else, it was either re-programmed or alternative methodologies were demonstrated.

Team

The project team was headed by David Kahle, Controller for Matheus Lumber. David was responsible for the initial RFP and the ultimate Vendor and solution selection.

The Customer team consisted of individuals from both the Financial and Operation areas, lead by Nancy Thompson, who was responsible for Billing and Inventory. The WoodPro team consisted of both programming and implementation personnel.

Assumptions

The following are the key assumptions or parameters that were relevant to the success of the project.

1. The WoodPro package was the best fit from the entire vendors population surveyed for their operations.
2. WoodPro was very committed; they did not over promise and where good at meeting their deadlines.

Return on Investment

Matheus Lumber has seen a rapid return on its investment, with savings in key areas such as stock control and billing. These include reduced cost of ownership, increased user productivity, improved service to customers, integrated sales and operations, and better management information.

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