

Customer Profile

With more than 75 years of experience in textile rentals, ITU is the largest Wisconsin-based supplier of towels, mats, garments and shop towels for industry.

Situation

ITU's previous custom IT system lost files and was insufficiently scalable to meet customers' needs. Growth was being impacted.

Solution

The Fulcrum solution instantly halted ITU's solution search, thanks to its economical, Web-based configuration and flexibility.

Benefits

ITU can configure invoices to fit customers' accounting preferences, and to clearly show every charge.

As ITU adds new locations, they will come online without separate onsite systems, and will immediately mesh with corporate accounting standards.

Data reliability and constant uptime are a given.

Business Improvement Case Study Series – Fulcrum

Fulcrum helps textile rental company flex to customers' needs and speed expansion

“As each [new location] comes on board, they'll use our standard software and forms via the Web. Their numbers automatically roll up into the big picture because they're already on our central server.”

Dan Melstrand, Chief Financial Officer and Chief Technology Officer
Industrial Towel & Uniform Inc.

The Industry

The textile rental industry takes in \$11 billion annually in the USA alone, employs more than 150,000, and travels approximately 20,000 routes every day using more step-vans than parcel delivery services. There are approximately 800 such companies in the USA ranging in size from 'mom and pops' to listed companies. Managing a laundry company efficiently has been described as “apparently simple, deceptively complex,” so industry-specific software is a requirement for all but the smallest.

Each company's “production line” is its laundry, with all the issues of a manufacturing company. But the heartbeat of every textile rental business is smooth route service and deliveries. Production scheduling, order entry, vehicle loading, and counting soiled merchandise are complex and time-consuming operations. A customer can have hundreds of wearers, and every wearer has multiple changes per week. As a result, even a medium-sized textile rental company can generate millions of transactions yearly. Every customer has a unique mix of garments, invoicing isn't obvious and intuitive, and few other business need to routinely charge customers for damaged goods.

In years past, a textile rental company could differentiate itself with cleaner, fresher linens and garments. When new fabrics made this factor less pivotal, levels of service had to rise to outpace eager competitors.



But not all companies in this entrenched industry are rushing to change their “good-enough” IT systems to meet new demands that competition and flattening prices force upon them. Small companies with five to eight routes often put in long hours to micromanage customers one at a time. In large companies, delivery logistics can slow geographic expansion, so IT systems must compensate by stripping out steps and streamlining efficiency. Expansion by acquisition offers greater certainty than starting a new operation in an untried territory, but this also means that far-flung and disparate IT systems must start cooperating on their first day under the new umbrella.

The Company

With more than 75 years of experience in the textile rental business, Industrial Towel & Uniform, Inc. (ITU) is the largest Wisconsin-based supplier of towels, mats, garments and other launderable textiles for industry.

Locally owned and operated, ITU is led by its third generation of family ownership. It is avidly developing industry-leading technologies for wastewater pretreatment and solvent recovery. Customers use ITU’s products in manufacturing, industrial and office environments. Garments range from protective to business-casual, and other products run a gamut from plush corporate logo entrance mats to heavy-duty, oil-absorbent “socks” and pads on production lines.

Business, Operations and IT Situations that Needed Improving

In 2003, ITU relied upon an older third-party solution designed for a non-production environment. It was a Visual Basic application that sent data to a Microsoft Access database linked to Microsoft SQL Server tables, so it was tricky to use and thus unsuitable for a fast-growing, dynamic company.

Invoicing was difficult because individual wearers, not their garments, were barcoded. Billing was too rigid to allow different views of customer accounts or transactions. But the legacy system’s most crushing problem was its difficulty to deploy in a multi-site environment. It required ITU to set up each plant separately and then hope their separate records could mesh in a corporate solution.

The product’s party developer was unwilling to redesign the application for easier scalability and evolution to a changing textile rental industry. The small developer’s size raised further questions about long-term support and viability.



Solution Chosen, and Why

“We had been looking for a new IT solution in 2003,” says Dan Melstrand, ITU’s Chief Financial Officer and Chief Technology Officer, “but hadn’t done head-to-head product comparisons because we thought no one even came close to our needs. When we saw the Fulcrum solution, it knocked everything else out of the ballpark. First, it was Web-based making deployment to remote sites simple and cost effective. Citrix-type solutions had no chance in our race. Then we saw we’d have a smooth information path from Fulcrum into Microsoft Dynamics GP, which we had selected as our new accounting/ERP solution. We completed our system buy within a couple of weeks.”

As the only Web-based IT solution in the laundry industry, Fulcrum requires only a single server and software stack, which is accessible by Internet from every plant, service center, or corporate headquarters—even from phones or handhelds with Internet access. Other solutions require textile rental customers to purchase separate servers and software for each location. Using Fulcrum’s secure customer portal, even customers can place, change, and verify orders online.

But the final decision factor was Fulcrum’s knowledge of the woof and warp of the textile rental industry. “Ian Blackie knows our business thoroughly,” says Melstrand. “It seemed like he had worked here. Fulcrum had the knowledge to build what we needed and I was very comfortable with their candor. No deception or subterfuge. And Fulcrum was developed by an experienced Microsoft partner with a good record of growth. That gave us confidence in their technology. We were all comfortable with that combination. We were right in our choice because we’ve had a very positive and expanding relationship.”

More broadly, Fulcrum is the only software provider in the textile rental industry that has earned the Microsoft Independent Software Vendor (ISV) certification. Uniquely combined only in Fulcrum, these factors help ensure tighter integration and smooth upgrades as newer Microsoft technologies are released.

Business Benefits

ITU went live with the Fulcrum solution in 2005. Melstrand explains why Fulcrum has earned ITU’s trust and is now in its fourth version: “We have to flex our business practices to please as many customers as possible—not tell them, ‘You flex to fit us.’ In our industry, invoices can create problems, even upsets. So Fulcrum’s ability to invoice accounts several ways is crucial. Some customers want per-delivery billings, others at four-week intervals, others at month-end. Doing that effortlessly with our new system is a huge competitive advantage.



“Now we can also make it easy for customers to understand invoices. We never hide or bury charges, and Fulcrum allows us to visually prove our openness in each invoice. It’s all spelled out—and that can help speed payments.

“A key factor in empowering expansion by cutting the IT costs of each new plant is Fulcrum’s remote deployment without additional hardware. Because we’re a location-sensitive industry, we expect more outlying installations as we grow. As each one comes on board, they’ll use our standard software and forms via the Web. Their numbers automatically roll up into the big picture because they’re already on our central server. It would be crazy to run stand-alone systems, then try to combine their results at headquarters. And we’ll have Fulcrum do our support so we concentrate money and staff where they do us the most good.”

As Fulcrum systems are based on proven Microsoft SQL Server, ITU’s databases no longer corrupt. The IT staff at ITU will be able to write software “hooks” into the Fulcrum system to integrate helpful new applications such as ITU’s Recontracting System, Soil Ticket Processing, Soil Variance, Remote Soil Entry, RFID and Bar Code Sort System, and Customer Visitation Reporting.

And, as important as any factor in the laundry business, says Melstrand, “Our uptime and reliability have been great. This doesn’t crash and our information doesn’t disappear. Both are welcome changes. Not once has Fulcrum taken our server down.”

To learn how Fulcrum can raise your revenues and contain costs, call (312) 506 3543, visit: www.GoFulcrum.net, or email a brief outline of your requirements and challenges to info@GoFulcrum.net

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