

Fast Growing Warehouse Solutions Provider Scales with Acumatica Cloud ERP

OVERVIEW

Quality Material Handling Inc. makes client warehouses more efficient, flexible, and dynamic. Hector and Brenda Pinto started the business in 1991 on a folding table set up in their two-bedroom condo. The company outgrew its Sage 100 financial software and cobbled together paper and spreadsheet tracking system used for inventory, sales, and other operations. QMH deployed Acumatica Cloud ERP gaining a single solution to operate the business that led to improved inventory management, greater data transparency, and numerous operational efficiencies.

KEY RESULTS

- Gained one centralized ERP, increasing business performance visibility for management
- Leveraged the cloud, allowing QMH to expand its salesforce nationally
- Provided information instantly, shaving time spent gathering data for reporting from hours to minutes
- Acquired easy-to-use solution, one that managers and employees love
- Improved inventory accuracy, streamlining operations and saving warehouse manager's time
- Lowered month-end closing from months to less than 11 days, freeing CFO's time
- Eliminated paper spreadsheets, automating many business operations processes

CHALLENGES

When Hector and Brenda Pinto's former employer had difficulty meeting payroll in 1991, Hector made the bold decision that the two needed to quit. Arriving at home that day, he set up a card table and began calling his customers. Although he wasn't working for the company any longer, he told his customers he would help with anything they needed.

By the week's end, Hector landed a \$16,000 contract that launched Quality Material Handling Inc. Starting his own business wasn't his initial intention, and he quickly enlisted Brenda as the second employee. Anyone who knows Hector and his strong work ethic wasn't surprised at the turn of events.

After all, Hector, who emigrated from a small town in Honduras when he was 14, has always been a go-getter. His hardworking trait started when he was a small child selling unsold fruit and vegetables from the family stand to his neighbors at a discount so it wouldn't spoil.

Now 30 years later, Quality Material Handling or QMH is making its own operations more efficient. Located in Rancho Cucamonga, California, QMH is committed to providing end-to-end solutions for companies with distribution, logistic and warehousing needs. From permit approval management to full-service execution from the ground up, QMH delivers unique solutions providing distinct value in record time

"Quality Material Handling specializes in warehouse support solutions," Hector says. "We have an entire team that does sprinkler systems, racking systems, permits, dock equipment, and our specialty is providing what others don't."

The company is family run: As CEO, Hector heads sales, Brenda, CFO, heads up finance, and daughter Julia Pinto Cisneros, COO, oversees operations. Her husband Ben Cisneros is the company's Sales Manager. The company ran accounting on legacy Sage 100 on-premises that hadn't been upgraded. Outside of the legacy system, they used paper and excel spreadsheets to track inventory, invoices, and everything else.

"The downside to Sage was it felt like I was dealing with a hard brick," says Julia. "I was trying to chisel away at a brick to try to get it to do what I wanted." Most transactions were accomplished through email, scheduling with Outlook, and multiple spreadsheets tracked everything else. "It was a lot of manual, double-entry, which was error-prone and wasted a lot of time."

The accounting department was months behind. "It was very difficult to get a financial picture of where we were at in the business because we just didn't have all of the information in the system at month end, and it just took me so long to double check that it was accurate," says Brenda.

In addition, Hector, the lead salesman, refused to use Sage because it wasn't user-friendly. "I never found Sage 100 easy to work with," he says. "I'm not very savvy with computers and technology. I would rather use a piece of paper than do something in the complicated system."

"He went 19 years never using the software," adds Julia. "He didn't even have a log-in."



Company

Quality Material Handling, Inc.
www.qmhinc.com

Industry

Distribution & Services:
Warehousing Solutions

Location

United States

Number of Employees






Approx. 50 full time employees

Products

Acumatica Distribution Edition with:

- Financial Management
- Customer Management
- Outlook integration
- Advanced Inventory and Order Management
- Project Accounting

Customer Social Sharing Details

-  www.linkedin.com/company/quality-material-handling-inc
-  www.facebook.com/qmhinc
-  www.youtube.com/channel/UCiAbWNkoDqpZe6t8BXt3nRQ
-  www.instagram.com/qmhinc
-  <https://twitter.com/qmhinc>

Partner Details



Klear Systems
www.klearsystems.com

Without Cloud ERP ‘We were out of commission’

When the Internet went down for an entire day in a previous location, Julia decided they needed a better financial software solution. “We didn’t have internet or phones because we were VOIP or email,” she says. “Without a cloud-based ERP, we were out of commission.”

“Sage 100 just wasn’t meant for our business,” Julia adds. “We had some add-ons, like Bill of Materials, and we also tried adding on a manufacturing module and project management. We tried implementing them, but it was just too complicated.”

QMH maxed out its Sage user licenses, and the legacy software ran very slow, she says. QMH purchased 13 seat licenses, so they were constantly managing who could work in Sage, she says. Because it ran on an in-house aging server, no one could use it outside the office.

“No one really outside of accounting benefited,” Julia says. “I couldn’t manage what was going on. To run a weekly operational meeting would take me a couple of hours just to export information, color code it, and figure out where orders sat. I couldn’t see a pick sheet, just open orders; I couldn’t see if something was backordered or whether it was invoiced or not.”

Managing inventory was a nightmare, adds Leilani Hernandez, warehouse coordinator. “With Sage, it was very hard, I would have to write things down to remember something, and when I couldn’t remember, I would have to go back to the item in the warehouse. The inventory wasn’t accurate at all. We always had to double check everything.”

SOLUTION

Search for New ERP: Cloud-Based, All-in-One Solution

Looking for a new ERP, Julia briefly considered Sage, which required an expensive upgrade. She also evaluated Oracle NetSuite before deploying Acumatica Cloud ERP.

“I heard negative things about NetSuite – how they get you in and then hike the rates, and with Sage, we would have to upgrade every workstation, and it still wouldn’t be cloud-based,” she says. Without the cloud access, they wouldn’t be able to expand the sales team.

QMH’s technology partner Klear Systems introduced QMH to Acumatica Cloud ERP, which Julia liked immediately because of its unique user licensing model, it is cloud-based, provides a mobile app, and it could scale with the business as they grew. Hector loved the Acumatica solution within minutes of seeing how easy it was to use.

“Acumatica’s unique licensing model was huge for us,” Julia says. “We had 13 users with Sage 100 and refused to buy more because it cost so much. With Acumatica, we pay a flat rate and have unlimited users so I can encourage everyone to use the software, including HR, marketing, sales, and the warehouse. Before, none of these departments had Sage installed on their computers.”

BENEFITS

Improved Data Visibility

Acumatica streamlined QMH’s business processes, incorporating everything from sales quotes to inventory to invoicing and payments. It eliminated all the company’s separate data silos, multiple spreadsheets, and email paper trails.

“Acumatica simplified our order management processes, unifying our operations, making it easier to find information because it is all in a single business solution,” Julia says. The software streamlined the company approval process so transactions travel automatically through the system based upon actions managers take.

“Prior to Acumatica, I was the only person able to make inventory adjustments, and it became a bottleneck in Sage,” Julia says. “A lot of stuff would sit on my desk. Now, people can make entries, and I just need to go in, review, and click the approve button.”

Single Data Source Streamlines Tax Prep

With everything in one system, Brenda submitted 2020 financial statements to the CPA on time for the first time. “Typically, we’re about six months behind,” she says. “It took a while to clean up the data and ensure it was accurate. Now because of Acumatica, we’re doing timelier month-end closes. We now have a real-time view of our financial status.”

“The life of Acumatica online versus the old Sage 100 software, you cannot compare,” Brenda continues. “As before I felt like Sage 100 was a brick we were chiseling away at, now, I feel like Acumatica is clay and we’re just molding it as we’d like. The transition to Acumatica has been very smooth and it’s so easy to use. I love it.”



“Acumatica has been a game changer. It’s made a huge difference in how we do things, how we can access everything we need from anywhere, and allowed our salespeople to work remotely.”

—Hector Pinto, Founder and CEO,
Quality Material Handling, Inc.

Brenda closes out a month in Acumatica in about 11 days. She instantly views profit and loss statements, and quickly runs sales tax reports. “The reporting in Acumatica has made a huge difference – a vast improvement from what we used to do,” she says. “Anybody with work in California knows that sales tax with all the different districts is not easy to manage. Acumatica enabled me to take my five reports down to one report. It is so simple now. The reduction in the time that I spend on a sales tax report is amazing beyond belief.”

Having real-time access to business information allowed QMH to make better decisions such as which products to cull or which to expand. “We were also able to see an increase in revenue across certain product lines with the access to the data,” Julia says.

Gained Easy-to-Use Solution

CEO Hector Pinto embraced Acumatica. “It’s very simple to use,” he says. “I can drill into the information that I want to see, and it gives me what I need. I love the fact that it has a mobile app and I can pull things up on my phone from home to create a quote really quick.”

“I also love how customers are already in the system, and it can send a quote or invoice automatically,” he adds. “I never thought I would be so excited to use it myself, but once I got using the new solution, I found I love it.”

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Improved Operations

Acumatica’s dashboards slashed the time it takes Julia to prepare for operations meetings. “It takes me about 15 minutes to look at the dashboards before we meet,” she says. “I’ve set up a dashboard with the key performance indicators I need to manage our business, which have been color coded. We now look at the things that are the most important to us operationally.”

Using Acumatica Cloud ERP and its approval processes, QMH set up its first official purchasing process, which lowered operating costs and eliminated many mistakes. Because the new business solution can automatically send customer emails based on certain actions, customer service has improved.

“With Acumatica, we respond faster to our customers because the information is more readily available,” Julia says. For example, if a sales rep asks if an order can be shipped out faster, she pulls information on open orders, sees what materials are required, and makes a quick decision. “When we used to be on Sage, information wasn’t as accessible,” she says.

With Acumatica Cloud ERP, QMH salespeople can view inventory levels with accuracy. They now know if a product is out of stock or backordered, so they don’t worry about selling something QMH doesn’t have on hand or they can’t get.

Gained Platform for Growth

QMH executives are creating a 3-year strategic plan to grow into a national player offering new warehouse solutions and turnkey systems from concrete installation to lighting to sprinkler systems, among other efficiency enhancing warehousing products and services.

“Access to all the real-time data from Acumatica allows us to see which departments are succeeding, which need more attention, what product lines are successful, where our cost centers are, and where we are being the most profitable,” Julia says.

“Acumatica will help businesses grow,” she adds. “If you want to grow rapidly like we are, you’re going to need something that’s going to keep pace with your growth. Acumatica allows you to scale, but still have control with approvals, with automation, with workflows, but more importantly, it’s cloud-based and goes wherever you are.”



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