



2020 Customer Success Story

How One Kitchen Cabinet Company Increased Sales and Cut Costs During a Recession

At Superior Cabinets, predominantly manual processes were eating up resources and inhibiting growth. Their solution? To seek best practice advice from the 2020 professional services team and an end-to-end solution centered on 2020 Insight.

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Scott Hodson, CEO, Superior Cabinets

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One of Scott Hodson's first tasks when he joined Superior Cabinets was to celebrate a new Superior Cabinets store opening.

It was the summer of 2008—months before the market crash that would bring the real estate boom to a screeching halt.

And yet while most North American manufacturing companies have been struggling during the economic slowdown, Superior Cabinets has been able to maintain steady revenue growth and reduce costs by 25 percent.

This small miracle happened because Scott and his business partner, former CEO Mark MacLeod, had a transformative vision for the business, one based on systems and business processes. And they selected 2020 to help them do it.

The first step toward freeing up working capital: identify where automation is most needed

While the economic slowdown posed a serious challenge, they also saw an opportunity: it gave them the time they needed to make their business better. They took a long, hard look at their current processes and systems.

"We had 14 systems, mostly manual processes around them, and we couldn't launch a new product line because our systems and processes were so bogged down," says Scott Hodson.

The company set out to look for a technology partner that could help them transform the business. They didn't want shiny new software tools. The real need was for a front to back business process transformation that would give them a killer competitive edge.

The next step: identify waste, set a new goal

"Ninety-five percent of our efforts were going into managing manufacturing processes," says Scott. "We wanted to turn that around: 95% effort into growth opportunities like new stores, increased same-store sales, new product development, the best design teams and a heightened customer experience."

"This wasn't so much a software implementation as it was a business transformation," says Scott. "Our strategy is centered on three principles: expansion, scalability and the customer experience."

"Our 2020 professional services consultant became entrenched in our company. We wanted a front-to-back business process improvement and he played a pivotal role in helping us develop and implement that."

They dedicated a team of key Superior Cabinets resources to map all of their processes, as they were and as they wanted them to be.

"We spent a lot of time debating all the processes. Our consultant explained everything: why we couldn't do some things, better ways we could do others. Then he oversaw the entire rollout as project manager."

"This project wouldn't have been as successful if we hadn't had the right consulting. You can't just force new software into a company and expect it to change all your processes. You have to think in terms of process first."

Direct data transmission reduces business overhead

At the heart of their business transformation is a manufacturing software called 2020 Insight from 2020.

With 2020 Insight at the manufacturing plant and 2020 Design at the stores, Superior Cabinets now has synchronized catalog and order data throughout the company.

"The designer creates a design with the customer, then imports it from 2020 Design into 2020 Insight. That information goes directly to the plant," says Scott.

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2020 Insight's engineering configurator automatically processes the engineering data and creates all the CNC programs and manufacturing specifications for Superior Cabinets' factory. The configurator easily handles customized products allowing the company to design and build to customers' specifications, as well as launch new product lines, all without adding new staff.

The change virtually eliminated manual procedures and cut costs dramatically.

"We no longer require order processors at the store nor at head office," he says. "We were able to reduce order management resources by over 80%. It was a huge cost savings."

Even as the company grows, they still haven't added resources to process orders.

"We've added three new locations and doubled our product portfolio, including a new closet line and a European influenced kitchen line, all without adding resources for order management."

Stronger customer focus

The freed up working capital has meant Superior Cabinets can focus on creating a superior customer experience.

Customers can view a 3D version of their design online or in the showroom using Superior Cabinets' "Digital Showroom", which is based on 2020 Virtual Showroom.

The revolutionary experience allows the customer to make design selections in a virtual environment, saving them time and potentially money, by eliminating costly mistakes in design choices. They get a realistic rendering of their personalized kitchen design that shows their cabinet finish, door style, countertop, flooring and wall color choices.

"Our designers create a customer's kitchen then project a life-size, 3D virtual version of it onto an 80" screen. One customer thought it looked so real she tried to open a

cabinet door," says Scott. "It has a huge wow factor and our salespeople tell us it's giving them a major edge with customers."

Turning setback into an opportunity

The transformation has required true vision, foresight, hard work and guts, and a staff that are dedicated to a "Superior" customer experience and the success of the company.

"You can either sit and wait for the recovery to happen, or you can figure out how and where you can invest, so that when it does come, you're ahead of everyone else," he says.

"It's really tough. Sometimes you feel like you're in survival mode and you can't afford it. But our team had a strong feeling about this. It was what we had to do not just to survive but to become a market leader."

Snapshot: Superior Cabinets

Business challenge: Predominantly manual processes were eating up resources and inhibiting growth.

Solution: Best practice advice from the 2020 professional services team and an end-to-end solution centered on 2020 Insight.

Results:

- Maintained steady revenue growth & now double digit growth
- Reduced costs by 25%
- Reduced order processing resources by >80%
- Opened 3 new locations with no increase in order processing resources
- Doubled product portfolio with no increase in order processing resources
- Guaranteed lead times, no matter how busy