

Pride Sports Finds Solution for M&A Issues and Failed ERP Integration



Overview

A global designer and manufacturer of sporting goods and related products with 80% distribution and 20% manufacturing.

Company Size

~\$200 mil in annual revenue

Location

TN, USA

Industry

Distribution, Manufacturing

Employees

>500

Pride Sports struggled to run its business after its acquisition of Orca.

Pride Sports, a distributor and manufacturer of outdoor sports consumer goods acquired several brands in a short span, each with different business models and ERP systems. The growth and subpar integration led to significant inventory and fulfillment issues with their operations. The integration done by their internal team, with the help of ERP resellers, never worked for the business, struggling to get business results.

Pride Sports engaged with ElevatIQ to understand the root cause of these challenges and build a roadmap through process, data, and system changes to find solution for their M&A issues and failed ERP integration.

Executive Summary

Through ElevatIQ's proven methodology, Pride Sports was able to identify the key issues with its ERP integration. Within two

weeks of discovery, ElevatIQ was able to recommend key process and system changes that Pride Sports needed to get done to resolve its ERP integration challenges. The recommendation resulted in action items such as physical layout changes for warehouses, material movement flow, allocation strategies, information flow between systems, and reengineering of a few systems and processes. ElevatIQ charged less than 30% of the industry standard and help them avoid business disruptions.

Late Deliveries for Customers

Inventory Allocation Issues ✓

Failed ERP Integration ✓

Manual Channel Communication



I liked that Sam and his team were not afraid to tell you the good news and the bad news and put everything on the table.

Stephanie Shrader

Director Procurement and Materials, MacNeill Pride Group

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The Challenge

Traditionally, Pride Sports sold through traditional channels with some light manufacturing in-house. After its acquisition with private equity, they acquired several modern DTC and eCommerce brands in their industry that sold through channels such as Shopify and Amazon -- that Pride Sports had no experience in selling. Pride corporate was on Infor Visual while Orca was on NetSuite. Without analysing the business model differences of the NewCo, Pride's internal IT team decided to integrate with Infor Visual with the help of Infor's and NetSuite's resellers. But integration never worked.

Without a comprehensive integration plan, the internal IT teams created workarounds to resolve the short-term fixes, but none of the business teams felt comfortable using both ERP systems with 80% of their business processes residing outside of ERP systems.

Technical integration of two different business models led to business disruptions.

- ✓ New problem? New fix → 10x more issues.
- ✓ 80% of the processes were hosted outside of the ERP systems.
- ✓ Issues in timely delivery with key customers.
- ✓ Attrition of key executives due to chaos.

The Solution

After reviewing the business challenges briefly, ElevatiQ team proposed process audit to trace the root cause of failed ERP integration. Each issue required a different plan with some common elements.

Some notable changes were a new iPaaS, a new shipping software, and warehouse layout changes to resolve their allocation issues.

What was causing ERP integration issues?

The corporate ERP system didn't accommodate the processes of an eCommerce business well. Due to this, the technical teams had to find workarounds, such as using shipment object as the sales order in the corporate ERP system, resulting in reconciliation issues.

What changes were recommended?

Warehouse layout changes to designate the allocated inventory for each customer groups. A comprehensive integration strategy including centralized inventory control to push near real-time inventory as opposed to using "fake" inventory on each channel. Removal of ad-hoc integration such as sending shipment object as a sales order in the corporate ERP system, and instead using one ERP that could host both business models equally well.

A new warehouse and shipping software, capable of accommodating allocation algorithms by the upstream systems such as eCommerce and ERP. A master data governance model to ensure integrity.

Business Consulting Cost

<30%

of the industry average. Action plan was out within 2 weeks.

Total Potential Savings

>\$200K

Through superior integration of systems. Using right system for the right job.

Opportunity Costs Savings

>70%

Reduced the time of internal team members including Pride Sports executives.

Why It Was a Success

ElevatiQ’s industry expertise with DTC brands and manufacturing helped them understand the entire business at the transaction level within a few days. They were able to identify the right stakeholders quickly and recommend action items with demonstrable ROI. ElevatiQ’s equal depth with business and technology helped them communicate the foundational issues with integration and create action plan that had buy-in from executives.

ElevatiQ’s familiarity with systems such as NetSuite, Infor Visual, ShipStation, and Shopify helped them quickly design integration flows and build as-is and to-be process models and system architecture.



They bring so much more than ERP Integration to the table. Their business knowledge is top-notch.





Stephanie Shrader

Director Procurement and Materials,
MacNeill Pride Group

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ElevatiQ’s equal depth with business and technology helped with the comprehensive approach to build roadmap for their ERP integration challenges.

ElevatiQ expertise with enterprise integration with disparate business models helped them spot the differences in business model quickly and determine that existing architecture would be a barrier to their growth. While there would have been several different approaches, the path to rip their existing systems, and replace it with a new ERP system wasn’t under consideration. The approach of retaining existing investments helped reduce the financial and technical risks associated with the complex ERP implementation projects. The conservative approach helped win the confidence of executive teams.

| | As-is | To-be |
|--|-------|-------|
|  Clarity with allocation and inventory issues | ✗ | ✓ |
|  Alignment on critical success factors required for resolving ERP integration challenges | ✗ | ✓ |
|  Existing systems and investments retained in the new architecture | ✓ | ✓ |
|  Siloed systems and disconnected process, with substantial inventory and late delivery issues | ✓ | ✗ |
|  Improved business processes and superior adoption by cross-functional teams | ✗ | ✓ |

About ElevatiQ

ElevatiQ is an independent ERP and digital transformation consulting firm, with the focus on ERP selection, contract negotiation, business process reengineering and design. As well as enterprise and multi-system architecture, growth enablement strategy and documentation, and business case development. Plus, business model transformation strategy, change management, ERP project recoveries, ERP project management, and ERP implementations. With over 1000 ERP selection engagements and over 200 successful ERP implementations, ElevatiQ is uniquely positioned to build the digital process architecture for the next phase of your growth.

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