Pacific Torque

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**Solution Overview**

**Organization Profile**

Based in Seattle, Pacific Torque services and repairs major diesel engine and transmission manufacturers, and rebuilds heavy-duty transmissions. The company’s projects range up to U.S.$200,000.

**Business Situation**

To grow the business, the company’s new owners wanted to replace an unreliable and unsupported custom-built job-costing system and Peachtree software with an integrated enterprise resource planning solution.

**Solution**

Pacific Torque implemented Microsoft Dynamics NAV with the help of Integrated Computer Systems Support, configuring the solution to support unique business processes.

**Benefits**

* Expanded service and product offerings
* Improved visibility, leading to saved costs
* Greater employee productivity and effectiveness

**Partner(s)**  
Integrated Computer Systems Support Inc.

**Software and Services**  
Microsoft Dynamics NAV

**Vertical Industries**  
Automotive and Industrial Manufacturing Industry

**Country/Region**  
United States

[](http://www.ics-support.com/)

## Pacific Torque

### Transmission Rebuilder Gains Insight into Job Costs with ERP Solution

Posted: 2/22/2011

http://www.microsoft.com/casestudies/images/3squares.gif

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| ***An authorized distributor or dealer for the world’s leading diesel engine and transmission manufacturers, Pacific Torque sells, repairs, rebuilds, and services that equipment. After new owners purchased the 23-year-old company in 2007, they sought an integrated solution that would tie together disjointed job-costing, manufacturing, and distribution operations. After an extensive search, Pacific Torque chose Microsoft Dynamics NAV over Syspro and Epicor because of its flexibility, integration with other Microsoft products, and investment from Microsoft. Since implementation, Pacific Torque has expanded its product line and delivers more accurate quotes faster, helping to win competitive bids. In addition, the company’s employees have better insight into operations, parts availability, and job status, which helps them make better decisions, specifically during planning and forecasting.***   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  | | --- | --- | | * |  |  |  |  |  | | --- | --- | --- | | * | The ability to respond to prospective customers quickly and with confidence in project costs helps us to win more proposals in competitive situations. | * | |  | Van Ruiter, President, Pacific Torque |  |  |  |  | | --- | --- | | * |  | |   Situation Located in Seattle, Washington, [Pacific Torque](http://pacifictorque.com/) is an authorized dealer or distributor for several world-class diesel engine and transmission manufacturers. The company sells, repairs, and services diesel engines and automatic transmissions for commercial trucks and off-road equipment and rebuilds automatic transmissions for these same applications. Typical jobs can range from U.S.$1,000 repairs to $200,000 projects for large oil or mining industry operations, construction companies, garbage-truck fleets, or any other customer that uses diesel engines or large commercial transmissions. Pacific Torque maintains a 35,000-square-foot repair, remanufacturing, and distribution facility where it keeps a complete stock of new parts, used parts, and rebuilt components for transmission and engine brands such as Allison, Cummins, Deutz Kubota, and ZF.   In 2007, Van Ruiter, President of Pacific Torque, purchased the 23-year-old company with the intention of growing the business in terms of profitability and geographic scale. “It was clear that we needed to address our business systems to expand,” recalls Ruiter. “The company ran job costing, inventory, and transactions on a custom-built, DOS-based system but recorded all the financial accounting in Peachtree. The systems were not integrated, which required a lot of manual data entry and reconciliation. This disconnect between our financial and job-costing systems also obscured visibility into how many parts we had on order, for example.”  Company leaders came up with several requirements for an integrated enterprise resource planning (ERP) solution. “We have very complex job-costing and inventory requirements,” explains Ruiter. “Commercial transmissions are expensive components, and when we rebuild a transmission to customers’ specifications, we need to maintain detailed parts listings for each build and troubleshoot any problems, product updates, and improvements for warranty purposes. If we rebuild a transmission core, we need to account for the labor cost and parts used to rebuild it separately from the core cost. Tracking costs related to serialized cores and rebuilding is a complicated process.”   |  | | --- | | Pacific Torque sells and services several lines of diesel engines and automatic transmissions. | | Pacific Torque sells and services several lines of diesel engines and  automatic transmissions. |   At Pacific Torque, job-costing and inventory capabilities can determine business success. The company often deals with customers who want to get their equipment back into operation as soon as possible, and having the right parts in stock and the ability to provide fast and accurate quotes can help to win these customers’ business. “These diesel engines and transmissions go into critical equipment—an oilfield pump or crane—that can stop a project if not operating,” says Ruiter. “Without the right system capabilities, this quote process can be very time consuming and we risk losing bids. We need the ability to take a build sheet for a project, replace parts, see the availability of the components, and determine materials and labor costs quickly.”  In addition to robust job-costing capabilities, Pacific Torque required a solution that also reflected the manufacturing and distribution aspects of its business. “We found a lot of niche solutions that covered just one part of our business well, such as Karmak software, which is used to manage truck dealerships,” says Ruiter. “On the other hand, more general systems, such as Sage MAS 200, were unable to address some of our industry-specific requirements, like the ability to allocate the cost of an exchanged transmission core and then track those details in future transactions. We needed a solution that sufficiently covered most of our existing needs with flexibility to accommodate future developments, including potential multisite operations.”  Solution Pacific Torque narrowed its selection down to just a few ERP packages: Epicor, [Microsoft Dynamics NAV](http://www.microsoft.com/en-us/dynamics/products/nav-overview.aspx), and Syspro. “We eventually chose Microsoft Dynamics NAV for several reasons: The flexibility of the technology in meeting our requirements, the way it works with other Microsoft products like Microsoft Office, the robust ecosystem of partners that support it, and the commitment of Microsoft to improving the product,” says Ruiter.   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  | | --- | --- | | * |  |  |  |  |  | | --- | --- | --- | | * | We can handle more activity now. With Microsoft Dynamics NAV, we have the confidence to expand our product line. We now service diesel engines and transmissions from four more manufacturers. | * | |  | Van Ruiter, President, Pacific Torque |  |  |  |  | | --- | --- | | * |  | |   **Meeting Rigorous Job-Costing Requirements** To implement the solution, Pacific Torque worked with Microsoft Certified Partner [Integrated Computer Systems (ICS) Support](http://www.ics-support.com/microsoft-dynamics-nav/index.html), whose consultants helped configure Microsoft Dynamics NAV to handle Pacific Torque’s complex job-costing requirements. ICS Support migrated more than four years of detailed build history and two years of customer account history from the old system’s Paradox database to Microsoft Dynamics NAV. This information included details on new, used, and rebuilt parts so that Pacific Torque could determine the real cost of new projects going forward. ICS Support also helped to create a price list of 400,000 items by using current and historical prices data from manufacturers.   “ICS Support worked with us so that the system tracks information about the parts that make up a job according to serial number,” says Ruiter. “This type of parts tracking gives us vital information when determining project costs. For example, if we’re repairing a failed unit, we know if a manufacturer’s warranty covers a component or if we rebuilt or supplied the part.”  **Making Routine Processes More Efficient** Pacific Torque took advantage of the integrated inventory, job-costing, and financial capabilities of Microsoft Dynamics NAV to streamline its business processes. “We set up Microsoft Dynamics NAV to reflect the unique way in which our business operates,” says Ruiter. “For example, we can link a purchase order with the sales order it is related to so that when those parts arrive in our warehouse, we know immediately if they are for inventory, a job in progress, or a customer. Before, when a part arrived, we would have to investigate to find out what it was for.”   Many other processes require less effort with the new solution. When returning a part, employees can easily track the return and issue a credit to the account after the supplier acknowledges the return. Or, when creating sales quotes in Microsoft Dynamics NAV, employees can easily create a customized PDF document that includes our company logo and address, and send it off to the customer.   Pacific Torque employees no longer need to reenter transactional details into the general ledger. And because Microsoft Dynamics NAV includes an audit trail for every transaction, the company has been able to tighten internal controls. “Having everything in one system prevents errors, such as paying an invoice twice,” says Ruiter. “Items are immediately associated with the appropriate financial accounts.”   **Equipping Employees to Make Decisions** Ruiter says that, with Microsoft Dynamics NAV, the company has dramatically eased managerial duties, such as forecasting and planning. “I can create filters to target specific information, such as invoices posted for a customer within a date range or sales orders booked over a specific period,” he says. “For deeper investigation, I can export data to Microsoft Excel with the click of a button.”   |  | | --- | | Pacific Torque needs to track the labor and materials costs of each rebuilt transmission. | | Pacific Torque needs to track the labor and materials costs of each rebuilt transmission. |   In day-to-day scenarios, managers use Microsoft Dynamics NAV to drill down from the highest-level financial figure down into base-level transactions. Says Ruiter, “I can see the mix of new and used parts on a job, margin performance, and hours charged. Our sales representatives use this insight, as well, to determine the margin on a job before they give a quote to the customer. The detail into costs is extremely precise—the solution even calculates the shipping cost for the transaction based on the weight that the manufacturer has listed.”  Benefits By replacing its homegrown job-costing system and Peachtree with Microsoft Dynamics NAV, Pacific Torque now has an integrated solution that speeds quotes, simplifies business processes, and equips employees to make informed decisions.   **Expanded Service and Product Offerings** With Microsoft Dynamics NAV, Pacific Torque is positioned to expand its business. “When we started this project, overall economic conditions were pretty rough,” says Ruiter. “But our leadership team decided to move forward because we viewed the solution as an investment that would pay dividends, especially once the business environment improved.”  Ruiter notes that, in fact, Pacific Torque has already enlarged its product and service offerings. “We can handle more activity now. With Microsoft Dynamics NAV, we have the confidence to expand our product line,” explains Ruiter. “We now sell and service diesel engines and transmissions from four more manufacturers.”   **Improved Visibility, Leading to Saved Costs** By tying its operations together in an integrated solution, Pacific Torque gained new insight into the materials and labor costs that go into its projects. “We have access to comprehensive job-costing information in the solution,” says Ruiter. “And, we have accurate information about the different costs that go into a project, even the local tax rates for each area in Washington state.”  In terms of supply chain costs, Pacific Torque employees have visibility into specific details about parts in stock and on order. “We are pretty close to just-in-time inventory,” says Ruiter. “In the past, we would overpurchase and have more inventory on hand than needed. With more accurate information about our supply chain, we can reduce our carried inventory and erroneous double orders. We anticipate reducing our investment in new parts inventory by roughly 30 percent over time.”   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  | | --- | --- | | * |  |  |  |  |  | | --- | --- | --- | | * | Employees have a real-time view into what is happening across our business so that they can answer customers’ questions or make decisions to move processes along faster. | * | |  | Van Ruiter, President, Pacific Torque |  |  |  |  | | --- | --- | | * |  | |   **Greater Employee Productivity and Effectiveness** By working with Microsoft Dynamics NAV, Pacific Torque has much more than just a financial accounting tool; it has a solution that helps improve day-to-day business operations. “We made productivity gains that are only possible with an integrated solution that covers the varied distribution, manufacturing, and job-costing aspects of our operation,” says Ruiter. “Employees have a real-time view into what is happening across our business so that they can answer customers’ questions or make decisions to move processes along faster.”   Employees have less clerical work to perform, which not only frees them to focus on customer service but also helps to reduce errors. “Knowing our costs and the status of an inventory component or new order received in the warehouse is a tremendous benefit to our operations,” says Ruiter.   Employees at Pacific Torque have eased common tasks by taking advantage of how Microsoft Dynamics NAV works with Microsoft Office. “Our sales representatives can quickly put together a precise customer quote in the solution, create a professional-looking document branded with our logo and address, and then send that out through email,” says Ruiter. “The ability to respond to prospective customers quickly and with confidence in project costs helps us to win more proposals in competitive situations. Now, we are issuing double the number of quotes in considerably less time with Microsoft Dynamics NAV.”  Microsoft DynamicsMicrosoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what’s most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success. For more information about Microsoft Dynamics, go to: [www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)  For More InformationFor more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. 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