

CASE STUDY



BLACKSMITHS DEPOT

Open source ERP helps Blacksmiths Depot thrive and grow in a changing market



300-Years of Tradition Empowered by Cutting-Edge Technology



For more than 300 years and through multiple generations, the Kayne family has continued its tradition of blacksmithing. In 1965 the family formally started its business under the name “Steve Kayne Hand Forged Hardware.” Eventually the company name transitioned to Blacksmiths Depot (BSD), sellers and manufacturers of blacksmithing, metalworking, and bladesmithing items. Today David Kayne, Steve’s son, runs the business with his mother, Shirley, and his wife, Cathy.

David learned everything there is to know about blacksmithing from his father, who began teaching him at the age six.

“Back in the 70s we did over 30 craft shows a year,” he explains. “And the bicentennial in 1976 was an even bigger year. My dad was particular about making sure that everything was just right, and the customer was always right.”

With a relentless dedication to customer service, product quality, and fast order turnaround, David continues his family’s tradition of excellence. BSD delivers hammers, tongs, anvils, cutting tools, smithing kits, and more to patrons throughout the US and beyond.

After decades of steady growth, David realized that the family business had hit a critical point in its history. They struggled using old fashioned inventory and accounting methods. And they lacked a clear, comprehensive view of the financial status week-to-week and month-to-month, making it difficult to create effective product and purchasing decisions.

“My mom used the ledger pad, then we moved into Excel, and then QuickBooks,” said Kayne. “We reached a point where we maxed out the amount of data we could manage. We couldn’t do what a lot of proprietary ERP companies require – put a ton of money upfront – so we looked for something else.”

Situation

Whether it was David managing products, Shirley handling the books, Cathy overseeing sales and the catalog, or anyone servicing customers, the processes in place became time-consuming and complicated. And the company could only gain a financial picture of the business at the end of the fiscal year, after compiling records in Excel and sending them to the company's CPA.

David needed better inventory control and a point-of-sale solution that connected with inventory, accounting, and more. He wanted to provide his customers, now more digitally savvy than ever, with the same outstanding service that began in the 18th century (in-store) but could be delivered using 21st-century models (online).



In the journey to discover digital tools, David decided to investigate acquiring an ERP to manage data effectively and to improve operations and planning. This would provide a digital platform for scalable growth, enhancing accounting functions and tracking orders and sales, which would, in turn, help increase profitability.

“ We had to figure out another solution because we needed something bigger. OSI contacted us, and the timing was right. We started with the inventory part and have been slowly adding on to it. ”

DAVID KAYNE
VP OPERATIONS, BLACKSMITHS DEPOT

Approach

David Kayne selected Odoo because it effectively managed back-office functions while linking those with manufacturing, sales, and customer service. With an open source solution, BSD could gain the benefits of ERP systems used in larger companies, but at a lower price and with greater flexibility.

By selecting OSI as a trusted partner, they could leverage business and technology experts. OSI could help assess and engineer more effective ways to accurately track purchased and resold products, as well as products forged onsite and drop-shipped from vendors.





In partnership, BSD and OSI employed a unique four-step integration process:



Analyze

David, his family, and the rest of the BSD team and OSI began with a business and systems analysis. The joint team outlined goals, such as merging ERP with ecommerce, as well as timetables, and benchmarks.



Optimize

OSI partnered with BSD to create a seamless integration between inventory, distribution, purchasing, and more. BSD decided which business processes to preserve, refine, or eliminate, creating a path for harmonious growth.



Automate

OSI helped identify the right processes and systems, including multiple sales channels, ranging from ecommerce to a portable POS system for travel to roadshows and clinics.



Transition

OSI helped guide the BSD team through the adoption of the new system. Staff did their homework, preparing for the new system, while getting support from OSI on training and answering questions.

“ OSI staff were good to work with because of their experience. They understood what needed to be done as well as potential issues that might arise. Sometimes it’s rocky, but now we have a better solution in place. ”

DAVID KAYNE
VP OPERATIONS, BLACKSMITHS DEPOT



Process

Once up and running, David and BSD leveraged the new system, including the integration of accounting and inventory control with the website. As new orders came in, BSD had a timely, complete, and accurate understanding of existing inventory.

BSD employees understand when new products need to be built or bought from suppliers and the associated costs. Moreover, with precise data about incoming orders and product shipments, they can make data-driven decisions around shipping, suppliers, and distribution.

The team leveraged complete data to maximize efficiency, which improved margins and delivered higher value and lower costs for customers. David could track and assess items like landed costs, including shipping, broker, and customs fees, import duties, freight costs, and more.

With greater inventory accuracy and control, and effective ecommerce to accounting integration, the entire BSD team gained a digital nervous system that manages data and processes across the

business. Staff can now take orders online, process, and ship to the customer with full accounting traceability and minimal data entry.

“We never knew one day to the next what we had or didn't have,” said Kayne. “And scrolling through everything to find what you're looking for was troublesome. Now, we can know before a customer calls what we have and what we need to order.”

Benefits:

- + Elimination of data entry redundancy
- + Inventory control with re-order points
- + Accurate financial and managerial accounting
- + Control of state and county-level tax liability
- + Real-time reporting to provide better executive visibility

Results

Using Odoo modules, David Kayne can continue his family's legacy of outstanding service and quality products. Staff can take advantage of full cost and management accounting capabilities. The open, flexible ERP solution integrates sales, purchasing, inventory control, accounting, and ecommerce. For David, the road to success was paved with some challenges along the way.

"Nobody likes change," said Kayne. "It's hard to get everyone on board because you have to get out of your comfort zone. Successful change comes from demonstrating everything with proof. When we show the program works, it helps facilitate change."

In addition, BSD has the ability to scale with new customers and market opportunities. Specifically, as the COVID-19 crisis unfolded, David could not only adjust to changing demand and new business requirements, he could also give customers what they wanted when they wanted it.

With the ecommerce site in place, fully integrated with other systems, he achieved an actual surge in online business. Moreover, his ecommerce site, linked with Odoo ERP, provided the ease and speed his online buyers wanted, along with the same outstanding service—with educational materials, product information, and simple interfaces—available to in-store customers.

“ Having our ecommerce site up and running was key for us. Without the internet, we would have been dead years ago. But with the recent COVID-19 crisis, the internet saved our business. ”

DAVID KAYNE
VP OPERATIONS, BLACKSMITHS DEPOT



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