



MADE2MANAGE™
S Y S T E M S

CUSTOMER PROFILE

“With the help of the Made2Manage Enterprise Business System, we’ve delivered more than a million dollars in cost reductions to OEM customers like GE and we’re still profitable. It’s incredible: we complete a project, reduce costs, make a profit—and see a smile from our customer.”

Aron O’Grady, President, US Felt Manufacturing



US Felt Manufacturing

US Felt Earns Quality “Black Belt” with the Made2Manage Enterprise Business System

US Felt Manufacturing in Sanford, Maine, is rapidly taking over the felt market—and it’s selling to more and more large companies who have adopted Six Sigma quality programs and employ quality experts known as “Black Belts.” US Felt has to demonstrate its commitment to increased quality by earning its own black belt along with addressing all the modern business-to-business issues, such as e-commerce and solution providers.

The company installed an Enterprise Business System from Made2Manage Systems Inc. (Indianapolis) to document the development of its own quality program while it continues to develop new business strategies to dominate the non-wovens industry.

Felt So Good

US Felt has captured 50 percent of the entire market in mechanical non-woven felt products—such as filters, gaskets, insulation, cushions, shock absorber dampeners, glass polishing pads, toner cartridge seals, and similar products for the automotive, appliance, footwear, and dozens of other industries. US Felt’s cutting-edge position in the market is summed up by the theme, “Mastering the Matrix,” which it uses in printed materials and on its Web site (www.usfelt.com). Mastering the Matrix recognizes that felt is a matrix uniquely defined by the technological advantages of its primary component: fiber. The company has pioneered a unique process called “FiberFirst” to enable its customers to select the right fiber and produce the precise product needed for any given application. SimpleSample is the company’s unique system to enable customers to deliver rational samples of their inventories in order to enhance the accuracy of the design process.



US Felt leads its industry in the integration of technology, is first in its class in vertical applications growth, and is the only international supplier of felt to have been certified as a Six Sigma Quality

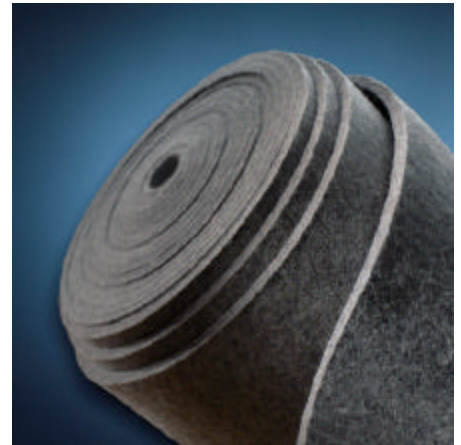
manufacturer. Thanks to its expertise and product quality, US Felt enjoyed significant profit increases in 1997, 1998, 1999 and 2000.

It is a completely integrated vertical manufacturer that starts with bales of fiber and produces customized finished parts with minimal environmental waste. Founded in 1987, its growth has been phenomenal and required the construction of a new 45,000-square-foot factory in 1997. The new

factory doubled the company's capacity, increased inventory space, and streamlined production. Manufacturing and fabrication are now consolidated into one location, and a modern Intranet system allows immediate access by anyone in the plant.

"Our incredible growth was one of our motivations for getting a business system," says Aron O'Grady, president of US Felt. "We were growing faster than our legacy business operations could handle."

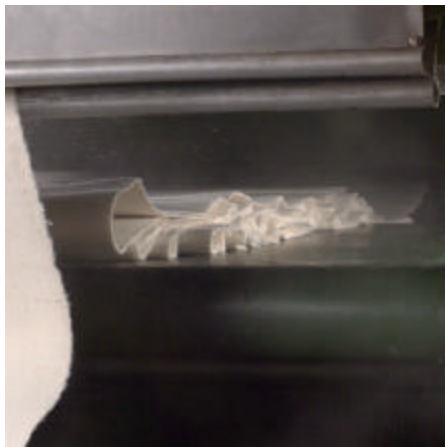
US Felt's CFO, Lorraine Brais, adds, "Every system we had was manual—and they didn't talk to each other. We couldn't track inventory with one system and invoice with another efficiently. We didn't have any costing information per order. The only other solution would have been to increase the number of employees in the accounting department, which was not an option. The Made2Manage Enterprise Business System was absolutely paramount at this point in our history to handle our increase in volume and to follow our vision into e-commerce."



Going Online

US Felt purchased the Made2Manage Enterprise Business System in May 1999, trained all summer, and started it up on December 1, 1999. "We ran dual systems for the month of January 2000, and we went live with the Made2Manage system only on February 1, 2000," says Brais.

"We can make much better business decisions now, because we can manage and collect data from many sources," says O'Grady. "The Made2Manage Enterprise Business System allowed us to merge our data acquisition and other application software into an ODBC-compatible system, so all our packages are up and running together. Next, we'll add the AutoCAD interface, bar coding, and Made2Manage Systems' new enterprise portal M2M VIP."



Brais adds, "We know we've had improvements in on-time deliveries, inventory levels, preventing product shortages, efficiency in using plant capacity, and many other areas; but, because we could never track those parameters before, we can't quantify the improvements. We know there have been substantial improvements, however, because our customer service has never been better."

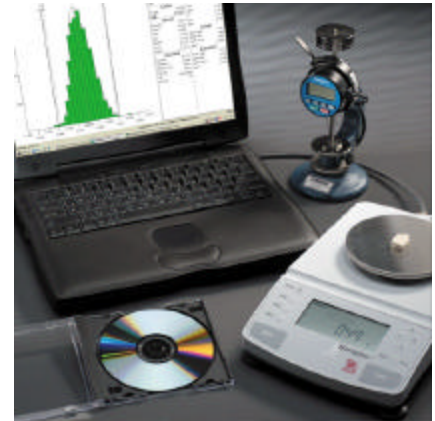
The Made2Manage system improves data acquisition from the customer. "Our reps have mobile systems now, and we are working on an Internet-based system that will use servers at our customer sites," says O'Grady. "The server will collect data from devices in our customers' manufacturing process where our products are being used, or at the receiving dock where our products come into the plant. This will allow us to examine data for engineering and quality purposes."

The Made2Manage Enterprise Business System is also making it possible for US Felt to develop new and innovative business strategies.

One of the new business strategies at US Felt is the development of partnerships. "Our future is not in just a single platform," says O'Grady. "Our future is a concept called Matrix Solutions, which is a portal that will allow our OEM customers to have one-stop shopping. It involves working with several

affiliate suppliers—Microsoft calls such companies 'Solution Providers'—and building a mutually beneficial relationship based on convenience and Six Sigma quality."

O'Grady's vision is to build a technology center for Matrix Solutions, where US Felt will test new products, train their suppliers in Six Sigma quality requirements, and certify them as solution providers for Matrix Solutions. "OEMs who are looking for consolidation are the key base for our business expansion," he explains. "We already do business with many OEMs, but through a noncooperative web. We are building the Matrix Solutions network now, and we'll eventually catalog all of our affiliates and solution providers in our Web portal. When our OEM customers come to the portal, they will be able to select products, determine costs, order parts, and conduct business with e-commerce tools. The Made2Manage business system makes all this possible, because it can track all the products, catalog numbers, transactions, and cash flow required in this arrangement."



O'Grady adds, "We do distribute overseas now, but we'll be using our portal to communicate all over the world. The Made2Manage system will help us do that, in multiple languages."

Throughout all this worldwide expansion, keeping quality high remains very important.

Working With Black Belts

"Large companies—such as our customers General Electric, Motorola, Polaroid, and Allied Signal—all have Six Sigma quality programs," explains O'Grady. "They train 'Green Belt' and 'Black Belt' quality managers, where green and black refer to a level of training achieved in quality. We use our Made2Manage system to demonstrate to our customers' Black Belts that our quality meets their requirements."

He adds, "In 1998 and 1999, General Electric spent \$500 million per year on training employees and suppliers like us to become Black Belts. They have saved close to \$2 billion through cost reduction programs from Black Belt projects. Six Sigma and Black Belts are going to be bigger than ISO 9000 standards ever were in US industry."

It's not about documentation, says O'Grady. "Six Sigma is a tool to reduce costs and improve quality, using ERP business tools and strategies that improve business at the operations level. We have to communicate all this to customers like GE, so we need the communications capability that the Made2Manage Enterprise Business System provides," he explains.

O'Grady concludes, "With the help of the Made2Manage Enterprise Business System, we've delivered more than a million dollars in cost reductions to OEM customers like GE and we're still profitable. It's incredible: we complete a project, reduce costs, make a profit—and see a smile from our customer."

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