

Redmond Inc. Deploys Acumatica Cloud ERP in Five Companies, Saves Millions with Improved Inventory

OVERVIEW

Redmond Inc. mines ancient sea salt in Utah and uses it in many food and industrial products. The company has expanded organically, and through acquisitions, become a sizeable firm generating more than \$160 million in revenue. But the companies were managed on QuickBooks, disconnected third-party and custom-built systems that severely hampered its growth. Redmond Inc. deployed Acumatica Cloud ERP in its seven companies, gaining a single platform allowing it to optimize business processes and gain real-time data visibility and insights that streamlined operations and saved millions of dollars.

KEY RESULTS

- Implemented a single, connected, modern platform in seven businesses for growth
- Gained real-time operational visibility into its seven businesses
- Reduced period close times dramatically
- Saved millions with better inventory insight and management
- Gained integrated reports with Power BI
- Reduced software development time 90 percent, from 40 hours to 4 when developing new applications and processes
- Improved operations with integrated warehouse management system functionality
- Eliminated duplicate data entry into third-party and custom solutions, saving time while increasing productivity
- Secured remote access to data at 10 locations

CHALLENGES

When the Bosshardt brothers in Utah couldn't farm their land because of its large salt deposits, they began mining salt and selling it to cities that used it to melt snow and ice on roads. Decades later, in the 1980s, they started selling consumer salt products, the first of which were sold in Ziploc bags.

Rhett Roberts bought and expanded the company dramatically in early 2000 after serving as a consultant. The company continues to sell tons of salt for use in agriculture and snow removal, mined and milled in the town of Redmond. In addition to Redmond Minerals, Roberts' holdings include Redmond Inc., Redmond Life, Best Vinyl, Valleywide Fence, Western Clay, and Heritage Farm & Stores.

Redmond Life offers consumer beauty and food products like toothpaste and electrolyte mixes, some of which are produced in-house at Redmond's 40,000-square-foot facility in Heber City, Utah. Other products are contract manufactured. Redmond Life also supplies outside food businesses with its salt products and counts customers such as Route 11 Potato Chips, Hilary's, Xochitl Chips and Salsa, and CLIF Bar & Co.

Best Vinyl installs and wholesales vinyl and ornamental fencing materials. It is also a wholesaler of chain link fencing. Valleywide Fence provides similar services and materials as Best Vinyl, but it is located in Grand Junction, Colorado.

Redmond Heritage Farm & Stores, with three locations in Utah, produces raw milk, six varieties of cheese, and eggs from free-range chickens. They also raise cows and pigs for beef and pork products on several local farms.

Some of Redmond's recognizable brands include Real Salt, Re-Lyte, Earthpaste, Redmond Clay, Redmond Hunt: Trophy Rock, Redmond Minerals, and Best Vinyl Fence & Deck. The companies generate more than \$160 million in combined revenues annually.



Company

Redmond Inc.
www.redmondinc.com
<https://redmond.life>

Industry

Distribution, Agriculture, Mining, Retail, and Services

Number of Employees

Approx. 550 full time employees

Location

Heber City, UT, with 10 locations

Products

Acumatica Enterprise Distribution Edition with:

- | | |
|-------------------------------|---|
| • Advanced Financials | • Multiple Currencies |
| • Inventory Management | • Warehouse Management |
| • Order Management | • Shopify Commerce Connector |
| • Intercompany Accounting | • SPS Commerce EDI Sales Order and Shipping Modules |
| • Monitoring and Automation | • CRM |
| • Fixed Assets | • Case Management |
| • Project Accounting | • Portal for CRM |
| • Consolidation | |
| • Advanced Expense Management | |

And with:

- | | |
|--------------------|-------------|
| • ShipStation | • Klaviyo |
| • NetStock | • Recharger |
| • Power BI | • Hubspot |
| • Active Directory | |

Couldn't Handle Large Transaction Volumes

Each of the Redmond companies started on QuickBooks, with some later adding siloed third party and custom software applications.

QuickBooks provides basic accounting functionality as a standalone application. It does not handle inventory, sales, customer tracking, warehouse operations, or project management and does not connect to other applications. As a result, Redmond either added separate applications or custom-built solutions, which worked fine when the companies were small.

Over time, working in so many disconnected systems became problematic. Finance teams created spreadsheets to consolidate information and constantly imported and exported information. It grew challenging to track costs per project and product profitability. Employees found it difficult to track inventory, which was constantly changing, or understand how much cash was tied up in inventory.

All of the Redmond businesses were run differently. Employees at each company spent countless hours a week entering, double-checking, and re-entering data into spreadsheets, which was time-consuming and occasionally led to mistakes, making it hard to trust the data.

Consolidated and other reports were nonexistent and nearly impossible to produce because data lived in siloed systems and often didn't match. None of the managers had timely information to run their businesses, which, as each started to grow, led to problems with AR, AP, inventory, and production schedules, among other functional issues. A 3-person development team spent months importing and exporting data so a reporting team of another three people could create reports that were outdated the minute they were completed.

Outgrew QuickBooks

"QuickBooks was designed for smaller businesses," says Aaron Gabrielson, CTO, adding that some of its entities had four employees when they implemented the software, and several now have more than 100. "Best Vinyl was actually using Sage 50 when we purchased them."

Many Redmond-owned businesses used paper processes to manage various business processes. At Redmond Life, for example, employees tracked order information by pinning paper on a large corkboard to track incoming and outgoing orders. "That's how it was done for 30 years," Gabrielson says.

Later they learned "Redmond Life didn't have its inventory as tight as it needed to be and ran out of materials that took three to six months to correct," he says. "That cost us \$2 million to \$3 million because customers couldn't get products."

Likewise, he says, Best Vinyl also had trouble tracking inventory and experienced long-term forecasting challenges to determine how much vinyl it needed to purchase. This led to shortfalls and delayed projects.

As transaction volumes increased, QuickBooks slowed and sometimes crashed the on-premises servers, managed by an IT team of six.

SOLUTION

Affordable, Flexible Cloud-Based ERP


Redmond Inc. looked at Oracle NetSuite and Microsoft Dynamics but chose Acumatica Cloud ERP because it offered an affordable pricing model, was flexible, and deployed in the cloud, allowing Redmond to reduce technology costs.


"Acumatica's architecture was one of the main deciding factors from the IP side," says Gabrielson. "It has well-established APIs, well-built cloud infrastructure, and real solid accounting. It was built for mid-sized businesses to help them grow in the long run. We don't want to switch accounting systems very often."


"NetSuite was too expensive and its architecture is out of date," he continues. "Most of the other solutions had bolted-on cloud solutions; they just took their existing solution and slapped them into the cloud. Acumatica was built from the ground up to be a cloud solution."




Customer Social Sharing Details


 www.facebook.com/redmondexperience

 www.facebook.com/redmondlifeproducts

 www.instagram.com/redmondexperience

 www.instagram.com/redmondrealsalt

 www.twitter.com/theredmondxp

 www.youtube.com/user/redmondincorporated

 www.linkedin.com/company/redmond

Deploying Acumatica in Seven Businesses

Crestwood Associates helped Redmond implement Acumatica Enterprise Distribution Edition in three stages across the first five businesses, several of which had more than one location. Before implementation, though, several of the companies needed to clean their data and create and formalize digital processes.

“At Redmond Life, there were no vendor groups, and pricing was a complicated mess,” Gabrielson says. “There was also a lack of processes, so the pain was in getting organized and clean. Redmond Life had a lot of growing pains due to its rapid growth; it started with four employees and now has 140, and revenues just hit \$60 million.”

Redmond Life, now with more than 750 products, has grown 40 to 50 percent in the last three years, Gabrielson explains. “We have multiple new products like toothpaste, all kinds of taco seasonings, and food ingredients. We can’t stock our Real Life Hydrate drink mix fast enough. Once we get a shipment in, it’s pretty much all gone the same day.”

After cleaning data and formulating processes, the first Acumatica implementation project tackled Redmond Inc., Best Vinyl, and Valleywide. The project included two tenants, one with two branches, in a single implementation, completed on time and under budget.

The second Acumatica implementation covered one of the larger entities, Redmond Life. It too was completed on time and under budget.

The third and final Acumatica implementation, for the fifth tenant, was the most complex. Redmond Minerals, which includes all of the agricultural, hunting, and industrial salt products, included connecting a third-party vehicle maintenance application and a home-built system for tracking salt shipments by weight.

The final two were completed in-house when Harris joined the team. The Redmond Heritage Farm & Stores filled another tenant as two branches. This ended Redmond’s dependency on QuickBooks and completed the transition to Acumatica.

“We basically tackled one a year and methodically went through each business. When we finished, we celebrated with a cake that said ‘We killed QuickBooks.’”

Redmond easily connected third-party solutions including Shopify, ShipStation, NetStock, PowerBI, Active Directory, Klaviyo, Recharger, Hubspot, Cloud Retailer, and Data Docks to Acumatica.

BENEFITS

Full Data Visibility Across All Operations and Applications

With Acumatica, all of Redmond’s business units have end-to-end data visibility, allowing managers to run their operations more efficiently. “They have current information needed to run and grow the businesses,” Gabrielson says. “That wasn’t always clear from QuickBooks.”

“We have timely information for AP, AR, capital projects, inventory, forecasting orders, and production schedules,” he adds. “You can’t do any of that with Quick Books. That’s one of the biggest competitive advantages we have with Acumatica.”

Gabrielson says he shudders to think about the amount of pain the company would have if they were still using QuickBooks.

“We could have never grown the business sticking with QuickBooks,” he says. “You can’t go to the CEO and say we can’t grow because our accounting system sucks.” The timing of the Acumatica implementation proved lucky because they began before the pandemic hit. “When we started the implementation, we weren’t growing as fast. Since Covid, we’ve experienced 40 to 50 percent annual growth.”

With Acumatica, Redmond is tracking its inventory, bills, cost structures, ordering, customer service, and reporting—essentially all the things a business needs to do, he says. “It does it all and does a great job.”



“Acumatica is a really well-built cloud solution that you can run a growing business on for the long run at a reasonable cost.”

– Aaron Gabrielson
CTO, Redmond Inc.

Eliminating Paper Processes

Redmond is phasing out paper-based processes and improving digital ones. Redmond Minerals employees no longer walk to an office where a large corkboard displays truck orders and scheduled pick-ups. Instead, they can automatically see that information in Data Docks, one of the third-party applications connected to Acumatica's API.

Improved Inventory, Saving Millions

Inventory tracking at Best Vinyl has improved dramatically. "Acumatica's inventory application is a game changer," says Gabrielson. "We've lowered inventory costs, and we couldn't have done that without Acumatica. Now Best Vinyl knows what and when to order stock, which has saved millions."

Redmond Life recently deployed Acumatica's inventory functionality to get back on track with production and order fulfillment for customer demand. "We've seen improvements, but we anticipate a lot more benefits once every business unit starts using more Acumatica functionality," Gabrielson says.

Open API Makes It Easy to Develop Apps

Redmond Inc.'s development team has easily created customizations with simple data import and export scenarios. In addition, the team cut the time it takes to code applications by 90 percent, Gabrielson says. "What used to take 40 hours to develop something now takes four."

Gabrielson and the dev team like Acumatica's open API and framework, which makes it easy to customize workflows and develop tailored solutions. For example, the internal team created a custom lot-tracing application. "If anything is missing, it's not hard to build our own workarounds."

Harris, now ERP Business Manager, likes Acumatica's low-code, no code capabilities, and the vast amount of training Acumatica provides within Acumatica University. He also praised the community sharing Acumatica fosters among all its stakeholders. The robust community and flexibility just aren't found at other ERP companies, he says, based on his prior experiences.

"To do what we have done (with Acumatica) with SAP, we would have had to hire an army of consultants and give them a blank check and spend millions," he says. "It could be done, but at what cost?"

"Just using their system is difficult and a headache. And their restrictive use would have been a huge pain."

Unconstrained Platform for Growth

Now with its seven businesses off QuickBooks and running successfully on Acumatica, Redmond is fine tuning operations at each business unit and evaluating internal and external growth opportunities.

Redmond Inc. recently acquired Aurora, UT-based Western Clay and Minerals. The 100-year-old bentonite clay mining operation easily transitioned to Acumatica following the acquisition.

The business management solution's integration across its different business units has offered complete visibility, better inventory management, improved operational efficiency, and has been a catalyst for business growth. The ERP's flexibility and robust API allowed Redmond Inc. to tailor custom solutions and integrations for its specific business requirements. In short, Acumatica Cloud ERP has been a game-changer for Redmond Inc.

"From a growth perspective, it's a no-brainer to go with Acumatica," Harris says, praising Acumatica's continuous innovation and responsiveness to customer demands, emphasizing how it can grow alongside the business.

Adds Gabrielson, "With Acumatica as the heart of the business, there isn't a challenge or technical problem we can't overcome."

Their words highlight the transformative role Acumatica has played in Redmond Inc.'s journey, driving growth, enhancing efficiency, and saving the company millions. With Acumatica, Redmond Inc. has not only found a solution to its present challenges but also discovered a scalable platform that is prepared to support and facilitate its ambitious growth plans.



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