

# Diversified Nebraska Firm Telesis, Inc. Runs Six Companies on Acumatica ERP



## OVERVIEW

Telesis, Inc., the parent company of three manufacturing firms, several restaurants, an urban farm, and a real estate company, ran into efficiency problems running its various businesses on a legacy financial system and spreadsheets. Executives needed accurate operating data on each company and improved insights for the holding company.

Telesis, Inc. deployed Acumatica Manufacturing Edition, gaining a flexible ERP platform it tailored for its different company needs. Overall, it streamlined operations, improved inventory levels, and acquired critical KPIs for each business.

## KEY RESULTS

- Acquired a single system for reporting across businesses that provides real-time visibility into different operations
- Improved inventory management, bill of materials, and MRP that helped it double Data Security, Inc.'s production
- Reduced Data Security, Inc.'s inventory-on-hand part needs by 40 percent while also decreasing carrying costs with better inventory management
- Increased efficiency with automated workflows that eliminated manual and duplicate data entry
- Eliminated the need for six restaurant employees to enter data into various disconnected systems
- Shaved a day off processing transactions at restaurants, speeding decision times
- Sped year-end close by three months with real-time operating data always available
- Eliminated monitoring number of users and per-user licensing costs, which allows greater access to critical data via self-service, which reduced reliance on finance team

## CHALLENGES

In many small cities and towns across America, you'll find a prominent family or two intent on bettering the community by starting businesses to increase employment, renovating aging buildings, and taking on other community challenges.

In Lincoln, Nebraska, it's the Boles and Schafers. The extended family operates various aspects of Telesis, Inc. The holding company comprises a data security firm, several restaurants, a microbrewery, real estate, and an urban farming operation.

### Telesis, Inc. Operations

Data Security, Inc. is the largest and oldest of Telesis, Inc.'s manufacturing operations. The 40-year-old company, co-founded by Brian Boles, makes machines that help governments and companies destroy digital data stored on computer hard disk drives, laptops, server drives, backup tapes, and audio tapes.

Its degaussers and destruction products are evaluated by the National Security Agency (NSA) and are listed on the NSA-approved Evaluated Products Lists (EPL), which means the products can be used by the Department of Defense (DoD).

As the NSA develops new standards for erasing and disposing of data storage media, Data Security, Inc. has built new machines to maintain its market-leading position. The company has grown into new markets, helping companies comply with security policies set by the National Institute of Standards and Technology (NIST), the Federal Information Security Management Act (FISMA), and privacy legislation like the Gramm-Leach-Bliley Act (GLBA), and the Health Insurance Portability and Accountability Act (HIPAA).

Data Security, Inc. designs, manufacturers, sells and supports its product line to customers worldwide.

### Company

Telesis, Inc. [www.telesis-inc.com](http://www.telesis-inc.com)

<https://datasecurityinc.com>

<https://lazlosbreweryandgrill.com>

<https://fireworksrestaurant.com>

<https://empyreanbrewingco.com>

<https://avertverticalcultivations.com>

### Industry

Various: Manufacturing, Restaurants, Real Estate, and Agriculture

### Number of Employees

Approx. 400 full time employees spread between five firms

### Location


Lincoln, Nebraska

### Products

Acumatica Advanced Manufacturing Edition with:

- Financials
- Consolidations
- Monitoring and Automation
- Order Management
- Included Tenants
- Planning and Scheduling
- Field Service Management
- Multiple Currencies
- Fixed Assets
- Inventory Control
- Expense Management
- MRP
- CRM
- Equipment Management

### Customer Social Sharing Details

 [www.linkedin.com/  
company/telesis-inc-com](http://www.linkedin.com/company/telesis-inc-com)

### Partner Details

 **Algorithm**

Algorithm  
[www.algorithminc.com](http://www.algorithminc.com)

## Restaurant and Brewery

Brian Boles helped his brother Scott achieve a dream of opening a restaurant in 1991. They recruited a lifelong friend, Jay Jarvis, and opened Nebraska's first brewpub, Lazlo's Brewery & Grill. It remains one of Lincoln's iconic restaurants.

Years later, they began Emphyrean Brewing Co. to produce Lazlo's beers for distribution at other retail locations. A second of Lazlo Inc. location opened in 1998, a move that illuminated the huge energy costs of operating two suburban restaurants.

## Achieving Net Zero

This started them down the path of installing geothermal wellfields and Water Source Heat Pumps to heat and cool their properties. The company has also installed the state's largest privately-owned solar array in downtown Lincoln, which is integral to the family's strategy of achieving net zero energy usage.

To help meet the families' sustainable goals, the company decided to repurpose buildings for urban farming with year-round crop cultivation, using 95 percent less water than traditional farming, and support traditional farming methods. The newest venture is Avert Vertical Cultivations. It was launched in 2019.

## Running on Legacy Systems

Throughout the companies' history, operations ran on Macola, a legacy financial system Telesis, Inc. had spent considerable effort and cost to customize and use with additional third-party systems.

Executives augmented Macola with spreadsheets and third-party applications. The disconnected systems required a lot of manual data entry.

Darren Parrott, Director of Finance and Administration, juggled four Macola tenants and found allocating shared costs to the correct entities cumbersome. Reconciling errors wasted a lot of time, and so did balancing accounts. It was difficult to ascertain the cost of goods sold for the manufacturing operations, and inventory levels were often incorrect.

"As we were growing, we expanded our administrative staff just to enter invoices and just do the day-to-day," Parrott says, explaining they doubled the finance staff to 16 over the years just to manipulate data.

## Inaccurate Inventory

Data Security, Inc. uses different combinations of over 3,000 parts in its machines, often doubly-allocated parts, leaving some out of stock, which sometimes delayed production.

"We put together a solid forecast every year, and we have products that cross utilize parts, but if you said you were going to build 150 units in a year, that inventory had to be taken out right away," says Eric Schafer, Telesis, Inc. President. If not, someone else in manufacturing might use them. "There were times where nobody knew when we were actually out of an inventory item that kept us from continuing to build," he says.

Creating reports for analysis involved exporting data from Macola and other systems into Excel. "The length of time it took to export to Excel was excessive," Eric says. "You would literally sit at your desk waiting five, 10 minutes, for the data to refresh, sometimes even just to open. We had too many executives having their time wasted." In an attempt to remedy the situation, they decided to limit a data refresh to 6 a.m., "but that's not an effective way to run a company," he says.

Adds Renee Schafer, Director of Operations at Data Security, Inc., "There was a certain amount of data in Macola, but it was hard to update. The minute you had a change, or you needed to change a product, you had to time it right. You couldn't change it live on the spot or have revisions. That was impossible. So, we had a lot of Excel spreadsheets, and a lot of different tracking."

Data Security, Inc. used Microsoft Access as a CRM, which was highly customized. According to Renee, Microsoft hasn't supported the program in years, but executives couldn't find a new CRM that allowed the customization it needed. The program didn't provide the data or insights required for sales as the companies grew.



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– Renee Schafer,  
Director of Operations,  
Data Security, Inc.

## Restaurant Inefficiencies

Telesis, Inc. has four restaurants that see more than 1 million guests annually. Collectively, they represented about 80 percent of the manual transactions. In addition to those transactions, food vendor invoices were manually entered, and the vendors showed up two to four times a week to replenish the food and beverages.

“All of our vendor invoices were entered manually into a system that was slow,” says Eric. “We didn’t have a good flow to do that. We had six people entering data. The thing that kept moving was the date we closed an end of the month. You can’t make decisions if January’s not closed out until March or April.”

It would take the restaurant managers three days to enter the prior weeks’ transactions and reconcile employee food comps, says Parrott.

Entering expense reports from any of the companies was a manual, time-consuming task requiring an executive to download their credit card statement and manually enter items into a spreadsheet. The spreadsheet was then sent to the accounting team that re-entered the information into Macola.

“We’re limited and that became expensive quickly,” Eric says.

## SOLUTION

The slow legacy system and inefficient double entries led the family to consider upgrading Macola. Macola, which underwent several ownership and sales-strategy changes over the years, was bought and merged with ECi Software Solutions in 2017. When the new ownership hiked licensing fees and doubled the support cost, Telesis, Inc. executives decided to look at other options.

Telesis, Inc.’s long-term technical support partner Algorithm understood the challenges Telesis, Inc. faced, its technology needs, and its businesses. Algorithm offered Acumatica ERP as a good solution.

## Acumatica Manufacturing Edition

Algorithm executives explained that Acumatica allows companies to connect all its systems and house all operational capabilities, such as CRM, reporting and analytics, budget, spending, and productivity in a single platform, providing end-to-end visibility. Highly configurable, the platform is flexible and allows businesses to operate how they see fit; Acumatica doesn’t force companies to change processes to conform to its solution.

Understanding that it can’t be everything to everybody, Acumatica includes an open API that allows third-party applications to connect. Acumatica also offers editions tailored to specific industries.

“We went with Algorithm’s recommendation because there was no other person who was going to understand our business as well as they did, and could convince us that another solution would work,” says Eric.

Adds Renee, “We did a thorough review of it, especially on the CRM side. Once we looked at it closely, we determined it could actually work for us. We were excited about it. We were all-in.”

Telesis, Inc. executives liked how easy-to-use Acumatica was and like that its open API allowed them to connect prior custom-made applications and future third-party applications. It also had a flexible CRM. “When Algorithm showed me how seamless it was from a sale through shipping from start to finish, all in one process in one software, that was huge for me,” says Renee.

“Everybody could see how intuitive Acumatica would be for teaching users and getting new users on board,” adds Eric, adding they also liked the transaction workflows and endless customization possibilities.

## BENEFITS

Telesis, Inc. executives now have access to real-time information in all operations, allowing them to make better and faster decisions. With increased visibility into inventory, bill of materials (BOM) and material requirements planning (MRP), each manufacturing operation is much more efficient. Having automated workflows and custom dashboards has reduced errors, eliminated time spent searching for information, and streamlined operations.

“The real-time access to data is just huge,” Renee says. “We’re using Acumatica to manage all of our entities separately but also see how the overall parent company is performing, and that speaks to how flexible Acumatica is.”

Adds Eric, “I don’t have to manipulate data anymore, and I can make decisions based on the information I have, which is available quickly and expediently.”



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## Increased Manufacturing Efficiencies

Data Security, Inc. operates much more efficiently with information now in an end-to-end system, improved inventory management, and improved BOM and MRP. The company has doubled production, which has allowed it to grow quickly into the fast-growing data center market.

"I couldn't even tell you how much we've benefited," Renee says. "It's ridiculous. One Data Security, Inc. machine itself can have over 300 parts, and our efficiency has gone way up. We have built over two times the amount from before Acumatica. And to be able to manage the inventory, order parts, and stock them quickly has been huge."

Many of Data Security, Inc.'s workflows and processes have been automated, which has allowed the company to eliminate much of the paper printing, shuffling, and storing employees used to do. "Using Acumatica is much faster," Renee says. "We used to print everything out—the pick list, the packing slips, and then had to retype data into Excel or Word. Now everything is just printed directly from Acumatica and we're shipping things faster."

"Our administrative team is more efficient and has less to do, therefore they are able to do more things elsewhere," Renee adds. "As transactions increased, we did not have to add more people, which we thought we may have to do."

## Custom Dashboards Increased Visibility

Employees and executives have access to and can create customizable dashboards that provide KPIs instantly. "I have dashboard after dashboard showing me where we're at, whether it's the sales pipeline, what's pending, what's shipping, or where our inventory levels are," Renee says. "That helps us make sure we're hitting all of our contract requirements and delivery dates. In addition, we're managing parts in real time and don't have to guess what amounts we have."

## More Efficient Restaurant Operations

Acumatica's automated workflows have streamlined restaurant transaction uploads and restaurant comp reports. Much of the manual data entry has been eliminated and they have leveraged Acumatica's intercompany functionality to allocate costs to the correct entities, saving time and reducing errors, Eric says.

For example, the restaurants' accountant no longer spends three days entering invoices and logging cash transactions. "He's probably cut out at least a day and a half out, and now we get the weekly profit and loss report earlier," Parrott says. "In addition, we've been able to get CSV files from many of our food vendors and use Acumatica's import function to automatically load several hundred invoices."

The restaurants automated the third-party vendor report they receive for employee meal comps. "We just dump it into a spreadsheet and then upload it," Parrott says. "It's pretty slick."

Bank transactions are automatically imported into Acumatica, reducing manual input. "With our previous credit card processor, that process took about two days. Now, it's maybe 3-4 hours," Parrott says.

## Flexible CRM Included

Working with Algorithm, Telesis, Inc. moved Data Security, Inc. from its custom-built CRM in Microsoft Access to Acumatica's CRM.

"We are super excited to start using the CRM," says Renee. Not having to triple enter data has been a game changer. Easy access to live, searchable data is already making an impact for the sales team, operations and reporting!"

The other companies don't have CRMs, but once Data Security, Inc.'s CRM is running, they will create and add CRMs for the other entities. "Then we'll have all that visualization and communication across departments and units," says Parrott.

With an integrated CRM, everyone will have instant access to critical information and communication that now gets buried in email exchanges. "Our sales manager won't just be emailing or texting dozens of things to marketing or production about all the different things he's doing," Parrott says. "Nobody is necessarily all on the same page because everybody has little bits and pieces of information, whereas with the Acumatica CRM, anyone can see for themselves the status of opportunities, orders and projects."



The brewery manager will be able to see which distributors have been contacted, and how those sales are progressing, information they can use to plan an increase in production. Restaurant managers can order larger quantities of certain ingredients if larger groups book a facility. Conversely, sales managers can see if production floors are at capacity for the next few months and appropriately adjust lead times and shipment dates for new customers.

“With the CRM, they’ll all be able to communicate in one spot and everybody will see the information,” Parrott says.

Telesis, Inc. is leveraging Velixo, a third-party data analysis tool, to help provide deeper insight into various operations, and is exploring additional third party applications, Eric says.

### **Additional Growth**

Now that Acumatica is installed, Telesis, Inc. is building upon its initial deployment, fine tuning configuration and its processes to make the companies more efficient.

In addition to rolling out the CRM to all operations, executives are growing the hydroponics and urban farming company, which will utilize use some of the geothermal energy the company produces. They are increasing the brewery’s distribution, and continuing to grow the restaurants and Data Security, Inc.

“I think there’s a lot more we can do,” says Renee. “Now that Data Security, Inc. is supporting data centers, we can’t keep up with our sales, which is a good problem to have. With Acumatica, we’ve really been working on the MRP process and getting more efficient with our inventory processes.”

### **Strengthening the Community**

By embracing modern technology, Telesis, Inc. has paved the way for future growth, success, fulfilling its mission of serving the Lincoln, Nebraska community through customer-driven services, civic leadership, and environmental stewardship.

“We believe every business has a crucial role to play in environmental sustainability, whether it’s a big initiative like installing a 5,400-square-foot rain garden, or a small detail like providing biodegradable straws,” says Renee. “Every effort counts. To continue our mission, we now have the critical data to help drive our decisions and efforts, which will allow us to grow and hit our Net Zero goals.”

“We’re really excited about where Acumatica is taking us, and we are very happy with it,” she adds.

