

Quick integration of new acquisitions using IFS drives Vigor success

In 1995, Vigor founder Frank Foti bought a ship repair business based in Portland, Oregon. In 2000, the Vigor name was born, and since then, the company has grown to become the leader in shipbuilding, complex fabrication and ship repair in the Pacific Northwest and Alaska.

Over the years, Vigor has grown dramatically through multiple acquisitions, and now has more than 2,500 employees working in 13 facilities spread across three US states. It's a sprawling, successful operation whose eight internal companies do work for cruise lines, barge operators, ferry services, the U.S. Navy and other customers. Each of Vigor's eight companies has a different specialty, but they all share a single, powerful tool: IFS.

Immediate integration key to success

When Vigor acquires a new company, one of the organization's top priorities is getting the acquisition up and running on IFS as soon as possible. Unlike many companies that allow newly acquired businesses to keep their legacy systems, Vigor believes that utilizing one solution throughout the organization is the only way to go.

"The companies who join the Vigor family do work for each other every single day," said Leonie Markgraf, Vigor's IT Director. "There's no way we could operate the way we do without bringing each of our companies onto IFS."

How IFS helps Vigor work

Vigor uses IFS to manage all of the organization's operational activity, including customer work, materials and subcontractors, payments, inventory management, equipment maintenance and general ledger entries. Most of Vigor's projects are worked on by more than one of Vigor's companies, which means for a project to succeed, clear communications and efficient processes are essential.

For example, Vigor recently did work on the USNS Mercy, one of the U.S. Navy's two floating hospitals. While the prime contract for the job was owned by Vigor Marine, the company's commercial repair and modernization subsidiary, work on the vessel was also performed by employees from Vigor's Specialty Finishing, Vigor Machine and Cascade General divisions.

About Vigor

Vigor is the leading provider of shipbuilding, ship repair and complex fabrication in the Pacific Northwest and Alaska. The privately owned company builds fishing boats, tugs, ferries, barges, fireboats, high performance combatant crafts and a variety of aluminum workboats. Vigor repairs everything from basic barges to supply vessels to floating drill rigs, and from aircraft carriers to cruise ships. The company also fabricates heavy, high complexity projects from structural bridge girders to nuclear containment devices, from dam lift gates to space launch complex towers. Vigor's companies all share a common goal: providing world-class maritime and industrial services to support customers and strengthen communities.





If those companies weren't all on the same system, employees would be forced to issue purchase orders back and forth for all the different pieces of work that have to be done. In order to do cost reporting, employees would need to go into all the different systems to pull the labor and other costs that come in. Employees charged with ordering materials would have to learn not just how to order materials in one system, but in six or more.

"Because we are integrated on IFS, all of the data resides in one system, so our project managers have only one place to go to open up new activities when there's new work to be done, and one place to go to find all the information they need about a project," Markgraf said. The same is true for buyers, Accounting and Finance team members, and everyone else who touches the system.

Roadblocks to integration

One of the biggest reasons some companies choose not to integrate newly acquired businesses is cost. Taking on the added expense of a system integration just after spending the money to acquire a new business can be difficult. But it's actually a lot more expensive not to integrate, Markgraf said.

"Without integration, you'd need more people," Markgraf said. "You'd also have less visibility into areas such as material status, or it would be a lot more difficult to get visibility. There would be a lot more mistakes made and work time lost due to not having the right materials available when needed."

Another reason organizations avoid integrating new acquisitions is the belief that workers in different subsidiaries would all be forced to use the system in the same way, even though that one way may not be well-suited to every area of the business. That's not an issue with IFS.

"IFS is quite flexible in how you use the system," Markgraf said. Vigor has multiple, unique work instructions specifically designed for each major division of their business.

Benefits seen using IFS

- Eliminated paper-based invoice approvals
- Streamlined inter-company processes
- Enabled quick deployment of Vigor teams
- Reduced time accessing and entering information
- Improved communications between companies

Multiple benefits

One of Vigor's companies, Vigor Shipyards, was one of IFS's first customers in North America, purchasing the IFS solution in 1999. Vigor as a whole has been relying on IFS to bring together its family of companies since 2012. Among other benefits, the IFS solution has allowed the company to eliminate manual paper-based invoice approvals. As a result of using IFS's electronic invoicing module, tens of thousands of invoices per year are no longer printed to paper and manually passed around the company for signatures, Markgraf said.

An additional benefit to using one system is the ability for the company to rapidly stand up teams in other locations, a major competitive advantage. "Our teams hit the ground running because they know exactly what to do in the system, because it's done the same way in their home location," Markgraf said.

IFS's employee longevity is another reason integrations aren't as painful as they could be; the IFS team members who help Vigor through new integrations have worked with the company on several previous projects. "IFS is good about leaving employees with customers. They don't constantly move their employees from one customer to another," Markgraf said.

The road ahead

Vigor plans to begin integrating its latest acquisition, Kvichak Marine Industries, onto the IFS solution. That integration can't come soon enough for existing Vigor employees. Typically whenever Vigor acquires a new company, Markgraf hears from multiple employees in different areas, all asking "When are you going to get them on IFS?"

"It would create substantial inefficiencies to try and run our business the way we do, with all companies working for one another, without being on one system," Markgraf said. "IFS is truly a business enabler for us."

Find out more

Further information, e-mail info@ifs.com, contact your local IFS office or visit our web site, ifs.com

