

CASE STUDY

ATF Book Process Streamlined for Magnum Research



The Company

Magnum Research

- Manufacturer and Distributor of Firearms
- Fridley, Minnesota
- www.magnumresearch.com

The Problem

Magnum Research needed to automate what had been a manual and tedious reporting process for their ATF Log Book (also called the Bound Book).

The Solution

BASM properly identified and documented each scenario and related process Magnum Research would use to be in compliance with the ATF Book regulations.

The Results

BASM was successful in getting an ATF approval (variance) while significantly simplifying the ATF Book process for Magnum Research. BASM then cleaned up the old database so it could be archived, converted the data to the new system, and implemented parts tracking using model numbers and caliber for manufacturing.

Magnum Research Inc. is a privately held corporation based in Fridley, Minnesota which manufactures and distributes firearms. Magnum Research builds the world's finest and most powerful pistol, the Desert Eagle, as well as the BFR (Biggest, Finest Revolver), the Baby Eagle, the Magnum Lite Rifle, and the Mountain Eagle Rifle.

Not only are Magnum Research's firearms popular with the general public, but Hollywood has a fascination with them, too. Magnum Research products have appeared on the big screen in Charlie's Angels, Pulp Fiction, Matrix, three RoboCop movies and many others. Their products are also popular on the small screen, in books and video games. Check <http://www.magnumfilms.com> for a list of the hundreds of places you may have seen Magnum Research's firearms.

Growth triggers need for automation

With the opening of a new manufacturing facility rapidly approaching, Magnum Research knew they had to automate what had been a manual and tedious reporting process. They felt the process might have had some holes and that they might not be in compliance with federal regulations. The Bureau of Alcohol, Tobacco and Firearms (ATF) requires that firearm manufacturers keep an ATF Log Book (also called the Bound Book). From the time a manufacturer puts a serial number on a gun receiver, it must be precisely tracked through every step of the manufacturing, sale and distribution process. This is done through a series of acquisitions and dispositions, and is extremely detailed.

The problem, as presented to BASM, was that Magnum Research would have to establish and follow reporting guidelines for every possible scenario. For example, if a salesperson took a firearm to a gun show, sent a receiver to an outside subcontractor or if a gun was destroyed, the company had to record it. Additionally, the system had to work seamlessly between the distribution and manufacturing facilities. Each scenario had to follow a different path in the documentation process. The ATF's ultimate objective is that if a firearm is used in a crime, they can track who possessed it last by using the ATF Log Book. Moreover, since Magnum Research is an importer, manufacturer and distributor working out of two locations, they had five Bound Books to maintain.

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Ron Atzmler, CFO at Magnum Research, turned to their software solution provider, Business Automation Specialists of Minnesota (BASM). Magnum Research needed help achieving efficiencies in their database program in a way that would meet ATF criteria. The ATF would have to approve any system put in place in order for Magnum Research to be in compliance, and to get an ATF variance. Penalties for non-compliance with the ATF regulations could result in someone doing jail time.

BASM keeps the target in sight

“This was an unusual project for us,” recalled Ron Ketterling, President of BASM. “It tapped into our automation and systems expertise by having us properly identify and then document, each scenario and related processes Magnum Research would use to be in compliance with the ATF Book regulations. There was no programming or software involved at this stage, as the ATF had to approve any system before it was put into place.”

BASM worked with Magnum Research, their attorney, and the ATF over a nine month period. Ron from Magnum Research stated, “BASM kept the project moving forward and kept it on track. We had normal business issues taking place, while we were opening a new manufacturing facility, that would distract us from this project. I was pulled in a thousand different directions, but BASM kept the project focused and acted as collector of key pieces of information. On top of that, our ATF compliance officer was new to Magnum Research, and BASM gave her valuable

insight into issues with inventory flow and how they related to compliance requirements.” BASM’s role became that of guiding and assisting the process, development of the procedures and making sure training was available to the Magnum Research staff.

Focused action gets the job done

BASM was successful in getting an ATF approval (variance) while significantly simplifying the ATF Book process for Magnum Research. And because they were an importer, manufacturer and distributor, the ATF required five separate log books. Through documentation and flowcharts, BASM was able to prove that writing the five logging entities into a single database wouldn’t interfere with generating the five distinct ATF Books.

During this time Magnum Research was acquired, and after the transaction was complete, BASM helped convert their data to the new company’s systems. They also used model numbers and caliber to track parts for manufacturing. BASM set up several excel reports and cleaned up the old database so it could be archived. This included identifying and correcting orphaned products, and ultimately printing the ATF Books (forty 5” binders printed on 11x17 paper) which is required annually, in addition to a digital copy.

Ron at BASM recalls, “I knew this project was a huge success for Magnum Research, but when we started getting referrals from the ATF, I realized it was a win-win for everyone involved.”

Experience

Business Automation Specialists leverages 27 years of practical business experience with software technology to help mid-sized manufacturers and distributors capitalize on their unique business strengths. We’ve built our business by helping our clients build theirs; enabling them to become better, faster and stronger through improved management controls, cash flow and profitability.

Performance

We focus the creative energies of business and personnel on the critical issues necessary for success by identifying time, information and communication loss. We utilize creative problem solving to structure and refine processes for optimum performance.

Knowledge

We provide the synergy of business professionals, industry knowledge, research and business acumen to produce consistent implementation and use of new and existing resources.

Results

We only provide services and products to our clients that will offer a return on their investment.



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