

Major European furniture maker lays e-business foundation with IFS Applications™

In less than 8 years Nowy Styl has become one of the leading furniture producers in Europe. By choosing component-based IFS Applications™ it has rationalized its complex processes, integrated all its subsidiaries in one IT solution, and can move effortlessly into e-business whenever it wants. Flexibility and innovation are the hallmarks of Nowy Styl—in IFS it has a partner who shares these traits.

Nowy Styl, a leading Polish and European manufacturer of chairs and chair elements, was established in 1992 as a Polish-American joint venture. With 2500-3000 employees, the award-winning company is continuously developing and modernizing its processes. Nowy Styl supplies the majority of the Polish market and is the 3rd largest chair producer in Europe.

Company profits are on the increase, with earnings for 2000 estimated at PLN 500 million. The increase in sales is a result of successful marketing in Western Europe and a revival of the Eastern market. In 1999, profits from sales in the Polish and Western markets were almost equal. Now, however, after acquiring a number of distribution companies, export earnings are expected to increase.

The problem

Parts of Nowy Styl have been using IT tools for several years. However, the existing system was inadequate in the face of rapid development, reorganization, increased production and a greater variety of products.

Jacek Steliga, IT Manager at Nowy Styl, comments: “I started working at Nowy Styl in 1998 and was made responsible for implementing a new IT system that would meet the company’s growing needs. The previous IT system was not integrated and provided limited support for the management. Our warehouse management, inventory and accounting were not up to modern standards.”



The solution

Aware that a proper IT system would bring better profits, the owners of the company decided to implement an integrated business solution. Facing growing competition and a market economy that demands continuous development, they knew that to achieve their aims, work processes would have to be changed.

“We decided to go for IFS because the component architecture of the system and implementation method-

ology made installation very easy. They also ensured that we could add new components step by step as our needs grew," explains Jacek Steliga. "A large number of successful implementations by IFS in Poland were another plus, as was its implementation team's reputation for efficiency. The decision to choose IFS very quickly proved to be the right one."

Implementation

Implementation, planned for January 2000, covered two parts of the company: Nowy Styl and Fotel Styl. Nowy Styl is the distribution center, responsible for customer service and orders. Fotel Styl is the main assembly workshop designed to produce strictly to order. The implementation began with the distribution and financials solutions at Nowy Styl, with components from the manufacturing solution, in addition to distribution and financials, being implemented at Fotel Styl.

It was tough in the beginning. A "worst case" scenario was prepared before the implementation, which proved useful, since there were a number of difficulties along the way. Jacek Steliga again: "We have managed to overcome critical moments thanks to the determination and understanding of the Board. Everything worked out well eventually, and we appreciated the strong support from the IFS consultants who were responsible for this implementation."

Benefits

Jacek Steliga continues: "At present, after restructuring the company and with the support of IFS Applications, we've been able to reduce inventory. Collaborating companies receive our orders in advance, which allows them to plan their production of chair elements and accessories more efficiently."

Moreover, IFS Applications has enabled a new approach to production planning, which reduces the time required to fulfill customer orders. With a modern IT infrastructure and proper management

tools, Nowy Styl is heading towards JIT production, introducing the necessary changes and simplifying the delivery chain. As a result, contracts have been signed with large international companies that expect quick deliveries. And to continue its service to smaller customers, Nowy Styl plans to build a new plant.

Jacek Steliga concludes: "We are continuously developing. For example, We would like to improve the flow of documents, and at the turn of the year 2000/2001, we will link our international partners to the system. The computer center will be in Poland, with all the links made through Euro ISDN."

"We are deep into developing our design department. In the future, we plan to have all technical documentation accessible via the computer system. Moreover, Nowy Styl has had its own WWW server and e-mail since 1998. This is a key element since many orders are placed via e-mail. We have also decided to give e-business a closer look and are planning to open a B2B web-store in November this year with the help of IFS Web Store. And we are looking at IFS Applications 2001."

The first stage of the implementation is over, and 80-100 simultaneous users are working with IFS Applications as planned. The data are centrally processed at Nowy Styl with the use of IBM RS6000 configured, for security reasons, in a cluster of S70 and S80 servers. Individual plants have on-line access via WAN Polpak-T and ISDN hired from TPSA. At present, the second stage of implementation in other plants of the company is in progress.

Software

IFS Financials™, IFS Distribution™, IFS Manufacturing™ AIX, Windows NT and Windows 98 operating system. Oracle database system.

Hardware

IBM RS 6000 S70 and S80 servers.
Pentium II/III PCs.