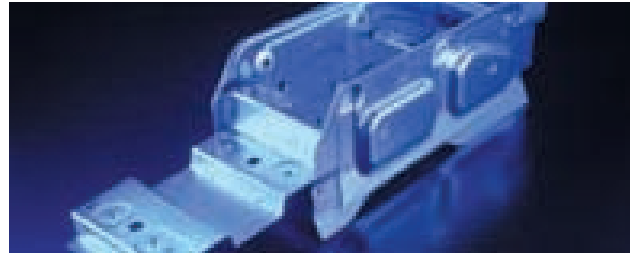


IFS Applications helps automotive supplier meet and beat the challenges of a rapidly changing industry

Finnveden Sheet Metal Components, part of the Swedish-based Finnveden Group, works in close cooperation with customers in the automotive industry and other engineering industries to develop and construct complex sheet metal components and systems. Annual revenue is in excess of US\$ 100 million.



Component-based business applications from IFS are enabling Finnveden to meet, and exceed, the demands made by the rapidly changing world of the automotive industry. Now the company can increase its focus on core operations, enhancing capacity utilization and making production more efficient. It has also acquired the tools to integrate different corporate cultures, increasing levels of collaboration throughout its six sites.

The challenge

In common with other suppliers, not least within the automotive industry, the demands on Finnveden are growing. In recent years, a number of companies have been acquired, with the result that the company now produces sheet metal components at six sites throughout Sweden. As several of them were competitors, they have had a previous relationship with the customers. Furthermore, they all have similar production and the same circle of customers, which makes it crucial to be able to overview the business. Sten Edgren, senior project manager for business applications at Finnveden in Värnamo, Sweden, explains, “We had, quite simply, no overview and were faced with the enormous challenge of integrating different working methods and cultures. If a marketing organization is to be shared

by several units, it must be transparent, and information must be transferred to key corporate functions such as purchasing and marketing.” These were the considerations that gave rise to plans for a common set of business applications.

The solution

After examining the market, Finnveden opted for IFS Applications. “For us, the decisive factor was that IFS had a clear automotive focus and could offer us a solution that was especially suited to our industry,” comments Sten Edgren, adding, “The fact that IFS has won orders from automotive manufacturers like BMW, Volvo, and MG Rover also adds to our feeling of security. We know that IFS has the resources to stay ahead of the pace.”

Benefits

The new solution replaced a number of separate solutions within the production units.

Sten Edgren comments, “You could say that the solution has been a catalyst for change. The project has brought cultural differences to the surface and given us tools to solve problems together. It enables us to identify opportunities for collaboration and makes it obvious that we have to work together. This



is more than just an IT project. It's also a question of understanding what we want from the solution, of understanding our own business and taking advantage of the fact that different sites have progressed at different rates in improving their efficiency in different areas. In other words, we can learn a lot from each other."

Even though Finnveden Sheet Metal Components hasn't implemented the solution at all its sites, the gains are already obvious. For example, it has become easier to distribute production capacity over several sites, and enhance utilization control and capacity planning in the future. Sten Edgren has seen that the solution makes it easier to centralize and relocate different tasks, with greater flexibility as a result.

Using IFS/Business Performance Finnveden can analyze different key figures that make it easier to

identify opportunities and threats in the business. In the long term, it will be easy to compare key figures from different units and thereby identify enhancement potential. Sten Edgren explains, "The system will enable us to focus on core operations. With a flexible solution, our operations can include more value-added content from internal and external suppliers. This way, each site can concentrate to a greater extent on its core operations."

Finnveden Sheet Metal Components has already decided to outsource parts of its support function. IT support will be run by IFS via its application service provider, @IFS. The Sheet Metal Components business sector has about 800 employees but a central administration of only 14. Since IFS runs the solution from its own premises, Finnveden does not need a large IT division.

With parts of the solution already up and running, and all data successfully converted from the old system, Finnveden is looking ahead.

"The next step will be to extend our use of the functionality in order to derive the greatest possible benefit from the solution," Sten Edgren concludes.

Software

IFS Financials; IFS Distribution; IFS Manufacturing; IFS Engineering; IFS Human Resources; IFS/Business Performance

Hardware

System operation outsourced to IFS' applications service provider, @IFS