

## International Engines South America implements management system in record time

**International Engines South America, the largest diesel engine producer in Brazil, has been manufacturing engines for the past 40 years. With an annual production of more than 1.4 million engines, International Engines South America has a leading share of the market in the Mercosul area, supplying customers such as General Motors Corp., Ford Motor Co., and Mercedes Benz. Revenue for 1998 amounted to R\$ 293.4 million. International Engines South America has 900 employees in Brazil, with manufacturing facilities located at Canoas (RS) and the business and technology center in São Bernardo do Campo (SP). In addition, the company has a production plant in Cordoba, Argentina. International Engines South America combines knowledge of the Mercosul area with the R&D and production capabilities of Navistar to produce a leadership position in the region and an increased share of new markets. With the implementation of IFS Applications™, the company has already begun to reap the benefits of an agile, component-based ERP system in the form of lower costs, simpler, more transparent processes, and rapid return on investment.**

### **The Problem**

The old platform used by International Engines South America was composed of several interlinked software systems with different bases and operational systems. “The old system was characterized by low performance and was unable to fulfill all the company’s needs,” recalled Luis Felipe Kanan, International Engines South America director.

### **The solution**

The main factor that led International Engines South America to choose IFS Applications™ was the quick implementation process in combination with the



low costs of products and services. From a technical perspective, the company wanted a solution that could coordinate the entire information flow in an Oracle database while working in a Windows NT environment. “The technology also had to be modern and not too unwieldy”, said Patrícia Markus, IT manager and project leader for the implementation. Considering all these requirements, the decision to opt for IFS Applications™ was not difficult to make.

### **Implementation**

It took only nine months to implement IFS Applications™ at International Engines South America. First, the national and international IFS consulting group analyzed and mapped all the internal processes in the company. At the same time, the International Engines South America employees started the training process that would be required to use the system. “We discussed the implementation of the new platform with the owners of the old system”, explained Luís

Felipe Kanan, referring to the employees and the computing service department of the company. Because of this, there was no resistance to the changes, and the assimilation of the new technology was easily accomplished. The quick implementation was due to the IFS philosophy whereby solutions are implemented together with customer, which speeds up the process while creating a calmer environment during the transition phase.

**Benefits**

Even after a very short time in operation, the benefits of IFS Applications™ are already evident. The entire database has already been coordinated. International Engines South America is particularly satisfied with the ease with which realtime reports can be compiled and the accuracy of the system, which allows accounting to be done three or four days after the end of the month. “Another major difference with IFS Applications™ is that it monitors the company processes independently and sends messages when a predetermined area does not accomplish or exceed missions or programmed goals”, concluded Kanan.

With IFS Applications™, all the International Engines South America purchase orders can be transmitted via the Web, thanks to its high connectivity. As for the systems area, the company has already noted a 20% initial reduction in hardware and software maintenance costs.

According to Kanan, besides the agility of the best-practice management enabled by the system,



the savings that result from using the system will be sufficient to ensure a rapid return on investment. It is estimated that the new system will pay back investment costs in as little as three years, including expenditure on hardware, software, the network, and training.

**Software**

IFS Applications™, IFS Financials™, IFS Distribution™, IFS Manufacturing™, IFS Human Resources™, IFS Maintenance™ and IFS Engineering™

**Hardware**

IBM Netfinity - 700 MDS, with 3 processors,  
 1 Gb memory, 70 Gb Hard disk  
 Operative system: Windows NT  
 Database: Oracle