

## Multi-site implementation saves time and streamlines operations for international manufacturer

**Danish-based Kongskilde Industries Holding, producers of a wide range of agricultural machinery, employs over 1000 workers in 14 divisions and is present in 13 countries in 4 continents. Kongskilde Poland has 120 employees and annual revenue in excess of US \$5 million. Kongskilde Poland is planning to enlarge its production area, to open a modern painting workshop and set up a warehouse for spares for Central and Eastern Europe.**

### The challenge

As the Kongskilde Group developed quickly, efficient management of the group was a growing challenge. Each company in the group had its own IT solution, making integration difficult, if not impossible. Therefore Kongskilde decided to invest in an integrated system that would connect all 14 divisions.

### The solution

Dariusz Blaszczyk, chairman of the board of Kongskilde Poland, explains, “The aim of the new system was to ensure integration of all Kongskilde companies. Since headquarters already used System4 from IFS, the decision to further collaborate with IFS was so much easier, although other systems were also considered.”

### Implementation

Implementation began simultaneously across the entire corporation, with IFS Poland localizing the software for Poland. In June 2000, preliminary characteristics of the system were agreed upon. The next 2.5 months were spent entering the data.



Piotr Goralczyk, chief IT specialist at Kongskilde Poland, comments, “We had several databases, in which the same element of machinery could be listed under different names. This required clarification, so we introduced uniform number codes for all machinery elements across the entire company. Codes for individual divisions had to be recognized by the entire group. Another issue to solve was a structure of existing databases.”

New solutions were required in the financial system, mainly because of specific Polish legal regulations, and there was also a need to compile data from the entire Kongskilde Group.

Alina Jozwiak, chief accountant at Kongskilde Poland, explains, “Each company within Kongskilde Group has its own section of the financial database.

The ‘nucleus’ of the database had to remain unchanged, as opposed to local requirements for meeting fiscal and accounting regulations in individual states. A common format had to be introduced for the accounting spreadsheet in order to facilitate consolidation of reports. Working on our accounting spreadsheet with IFS Poland specialists, we ensured they could be read in both Danish and Polish.”

### **Benefits**

The system went live on September 1, 2000. The last invoice in the old system was issued on August 31, and the one on the next day was issued in the new IFS Applications system. A Kongskilde employee said “it was like jumping in at the deep end but in an IFS lifejacket”. This approach allowed errors to be quickly identified and solved.

All production orders are currently registered and monitored in IFS Applications. Thanks to the bar code system and terminals, the company knows who produces each element, when it is produced and how much time it takes. Also, the recorded production history of every element provided by the solution greatly reduces production faults.

Production planning is easier, too. Plans from each division are sent to the Danish headquarters, where, after consolidation, they appear in the main plan and become data for the MRP module. Thus, since the production division knows the current market and warehouse situation, plans two months in advance are quite accurate, and Kongskilde avoids maintaining excessive stocks.

Dariusz Blaszczyk explains, “It is important that planning is coordinated at corporate level. Since we know the specific demands of our customers, we can precisely plan every machine we make. We are just developing a tool that will clearly state in what company and when the production of a specific machine has been planned. This enables us to precisely define its characteristics, taking into account regional

conditions. As a result, we have cut storage time and stock volumes to a minimum. Once we receive specific orders, it takes us only 1-2 days to produce the final product. Now we can continuously monitor operations, supply chain and order fulfillment at corporate level—and we can do so for each individual company.”

IFS Applications enabled Kongskilde to cut inventory levels by 20% in only four months. And the accounting system for 120 employees requires only 3½ full-time positions. Easy access to information makes it simple for employees to produce analytical reports and to set priorities. They are easy-to-use tools, but when utilized properly give excellent results. This can clearly be seen at corporate level in Kongskilde. With plans to double the number of employees, Kongskilde will soon switch to IFS Applications 2001. IFS modules for payroll administration, fixed assets and MRP/CRP will be implemented in Kongskilde Poland in the near future.

### **Software**

IFS Financials™;  
 IFS Distribution™;  
 IFS Manufacturing™;  
 IFS Enterprise Asset Management™  
 Oracle 7.4.3 database

### **Hardware**

Avion computer with the four Pentium III Xeon 450 MHz processors, RAM 3GB and Windows NT Server.  
 Dell PowerEdge 8450, with 8 Pentium III Xeon 700MHz processors  
 Windows 2000 server  
 Storage – 720 GB Clarion system in secure RAID 5 disk array configuration.  
 Dell PowerEdge 2300 with 2 Pentium III Xeon 450 MHz and Windows NT.  
 Citrix MetaFrame environment.