

Moving toward seamless connectivity in manufacturing outsourcing

Trailblazers in contract manufacturing services are using the Internet to add value and reinforce the benefits of strategic outsourcing by providing browser-based access to a real time, customized view of “their” production facilities. For Capula Limited, the key components are now in place following the implementation of a new generation of business management system from IFS Applications.

Benefits

In addition to supporting all of the core business operations, the system has improved communications between the client companies and their customers. Clients will be able to view up-to-date status reports, and many transactions that are currently carried out by fax and e-mail will become on-line and interactive 24 hours-a-day through web portals.

Capula offers a total support capability from design and the development of prototypes, through to the launch of series production. Clients are drawn from industrial, defense, aerospace, scientific instruments,



medical and communications sectors. The common denominator is the demand for a manufacturing management service for high-tech electronics-based products. Service levels cover a combination of PCB assembly, box build and full system integration and test.

“By outsourcing their manufacturing requirements our clients can concentrate their efforts on their core business skills,” explains Capula’s chairman David Gare. “We act as partners, helping to bridge the knowledge gap between customer application requirements and the manufacturing process.”

“We have a close relationship with our clients and this is usually exclusive within particular market sectors. They see us as an extension of their own production facilities, and very often this goes all the way through to using the clients’ branded packaging materials and delivery to the end user.”

Operating from headquarters in Stafford, Capula is a privately owned group, currently employing a total of 300 people in its three manufacturing units in Stone, and a recently acquired facility near Southampton. Sales turnover for the group is currently around £40 million and the company has ambitious plans for future expansion.

Problem

According to David Gare, this expansion was one of the main reasons for taking the decision to invest in a new generation business management system.

“We have outgrown our existing management information system. It had become so heavily customized that future development was limited and it didn’t fit into the strategy for carrying Capula forward into the ‘e’ world of electronic business-to-business communications.”

Solution

“Deciding factors in choosing IFS were that their people were in tune with our requirement and we felt that it was a company that we could work with as equal partners,” says IT manager Chris Appleton.

“Our main selection criterion was that the system had to do what the business wanted. We didn’t ignore cost, but our main objective was a system that gives us the best fit. Whilst all of the contenders were able to offer greatly enhanced functionality than our existing system, IFS Applications was able to provide all of our requirements from within its own suite of components.”

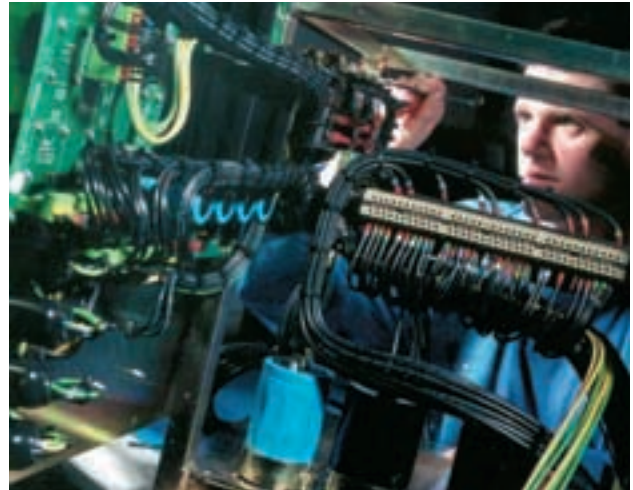
Implementation

The new system was fully scoped and contracts finalized with IFS during the autumn of 2001. The implementation of the first phase was completed successfully and the system went live during the Easter shutdown period.

The first phase of the implementation incorporates all of the basic components required for the handover from the legacy system. These included the financials package, purchasing, invoicing and manufacturing resource planning.

Some interesting challenges were encountered during the first phase as the process re-engineering project was still running and had to be managed concurrently with the installation of the new system. As a result initial training tended to be rather ‘alfresco’, using screen dumps and printed work instructions. It is intended eventually to use the IFS Business Modeler to formalize this information so that it can be incorporated into the company’s ISO quality procedures. This will then form the basis for future training material and quality control in terms of the specified procedures.”

From Chris Appleton’s point of view the biggest single problem was in getting the data off the old system



and importing it into IFS. One of the reasons for this was that changes had been made to the format of the bill of materials, the router and the operations within the work centres. “A lot of this data had to be entered manually and this created a bit of a bottleneck.”

Plans are now underway to bring the newly acquired Southampton plant onto the IFS system. As there is only one customer account at this site, the project is expected to be easier. Some of the lessons learnt during the initial implementation will be put to good use. “One of the most important was to ensure that the existing database is properly cleaned up so that only good quality data is translated into the new system,” advises Chris Appleton.

Software

IFS Financials, IFS Sales &Marketing, IFS Distribution, IFS Manufacturing, IFS/Quality Management, IFS/Document Management, IFS Engineering and IFS/Project Management.

Hardware

RS 6000 Unix processor
Oracle database