International automotive supplier streamlines supply chain with IFS Applications™

Tokai Rubber Industries, Japan, has been producing anti-vibration parts for the automotive industry for the past 12 years. Its Polish plant, TRI Poland Sp. z o.o., was opened in 1999 in Wolbrom, and provides parts for Toyota's factories in France, England and Turkey, as well as Honda in England and Isuzu in Poland. With approximately 100 employees, almost 90% of its production is exported.

With IFS Applications the company has integrated its supply chain, manufacturing and order fulfillment. It also added EDI functionality and a flexible MRP model.

The challenge

With suppliers in Asia, production in Poland and distribution centers in France and the U.K., TRI Poland required scalable, flexible business applications that would meet the communication standards of the automotive industry, especially EDIFACT and ODETTE, while ensuring that the company's complex supply chain was as streamlined as possible. Moreover, TRI wanted to implement the solution at the same time as the Polish plant was set up so as to guarantee the efficiency of operations from the start.

Maciej Pisarski, logistics coordinator at TRI, explains, "We have a situation that is rare in Polish market. We work here, our products originate here and it is here that we must plan our production. However, 90% of our suppliers come from Asia and the rest are from Poland—and our main customers are from the West. Delivery times are often very extended, making planning really difficult. We had to be sure that the business software we purchased could handle the range of companies involved."

The solution

When the plant was opened, the company had already decided which system to use. Particular attention was paid to the functionality of the selected solution, the ease of configuring the electronic data exchange module (EDI) and the flexibility of the system, making it possible to adapt to the firm's specific requirements. IFS Applications met all of these requirements and offered the added benefit of an experienced and strong local team of consultants and programmers.

Implementation

Maciej Pisarski comments, "We set up the company and implemented the solution simultaneously according to an approved schedule. From the start we established close collaboration with IFS both with regard to delivery of the server and computer network and the choice of supplier for EDI services. We purchased modules for financials, distribution and manufacturing, and, of course, for EDI. Three months after the start of the project, IFS Financials™ was launched. Three months later materials for a test production run was arranged, with the IFS/Inventory™ module going live. The sales module was then launched in connection with a test dispatch of parts to Toyota in France."

The manufacturing solution is currently in an advanced phase of implementation. For the moment, the data required to calculate material requirements and plan production are obtained from the IFS software, processed outside the system and then introduced back into system in the form of proposals or orders.

Benefits

The system has now been operating two years. The financials and distribution solutions are fully operational, as is the EDI module. An essential element in the delivery chain is the electronic data exchange system. The two most common standards used by our customers are EDI-EDIFACT and ODETTE.

TRI Poland has two distribution centers, in France and England. Communication with customers takes place by means of a global EDI network and the Internet, via EDI Web. Distribution centers are indispensable, because the time required to fulfill an order from the moment it is received is 12 hours, and delivery is carried out in the Just-In-Time (JIT) mode. IFS Applications is a major factor in enabling TRI to meet these commitments.

Another benefit of IFS Applications is the integration between the different modules that enables single entry of data to update the entire system. Maciej Pisarski explains, "Our warehouses are located in the vicinity of our customers' factories. Each product delivered from Wolbrom to a warehouse is recorded electronically. Products issued from a warehouse are recorded in the distribution centers and on site on the basis of an EDI message received from the customer and are also automatically recorded by us in IFS Applications. Every order from a customer via EDI is received simultaneously by us here and by our warehouses in France or England. In this way, we always know the exact status of our inventory. Information on sales and inventory is very important to help us adapt our production level to demand and maintain production continuity. This way we minimize the costs incurred due to production stoppage. Moreover, the capability to check our inventory has greatly enhanced the efficiency and quality of our distribution system."

The manufacturing component, when it goes live, "will enable us to eliminate almost 80% of our present work", according to Maciej Pisarski. Manufacturing control, currently done almost entirely by hand, will be automated, and computerization will extend all the way down to the shop floor. TRI uses Kanban labels, which accompany components through every stage of their production. The labels contain a history of the product and are used for control purposes until the finished component is delivered to the warehouse on the basis of a production order. TRI will also be able to automate work schedules and calculate the output of each work position on a daily basis.

Maciej Pisarski adds, "We have not fully utilized the potential of the solution yet, but we have been successively enjoying more and more of its benefits. We use many of the predefined, standard reports available in the software. We also prepare company-specific reports to meet internal accounting requirements. We purchased the IFS Crystal Reports tool that is integrated with the system so we can now generate these reports ourselves."

As the company plans to develop its operations, double its workforce and considerably enlarge its plant, new applications from IFS will be added. Maciej Pisarski concludes, "We intend to purchase IFS Maintenance™. With the increased number of machines in operation, maintenance software will be necessary to guarantee failure-free operation of the manufacturing system."

Software

IFS Financials™, IFS Distribution™,
IFS Manufacturing™, IFS Connectivity™

Hardware

Oracle 8i databases system, Windows NT operating system, Compaq (Xeon/550 MHz) dual processor server, Workstations (Pentium III/550 MHz) operating in the Windows 98 environment, 30 simultaneous users.

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