

Qad Solutions Enable Leading Cookware and Electrical Appliance Manufacturer to Re-engineer Procedures Across Enterprise.

The Company

Shanghai SEB Electrical Appliances Co., Ltd., (SSEAC) belongs to GroupeSEB, a world leader in non-stick cookware, linen care, and small household electrical appliances. It is famous for its international brand names, Rowenta and Tefal. The Shanghai facility is also a main supplier of steam irons, vacuum cleaners, and steamers. The plant is one of GroupSEB's nine production sites worldwide, whose output totals \$2 billion (USD) a year.

Founded in 1996 as a joint venture between GroupeSEB and Chinese iron manufacturer Hongxin, Shanghai SEB Electrical Appliances Co., Ltd., (SSEAC) became a wholly owned foreign enterprise (WFOE) in November 1999. During its time as a joint venture, SSEAC was a state-owned enterprise, with no information infrastructure or systematic procedures. It had to collect and calculate all inventory data, procurement, planning, production, and delivery by hand.

“We moved from sheets of paper and abacus to a fully integrated computerized system.”

After becoming a member of GroupeSEB, SSEAC was asked to improve management control by implementing widespread automation and to meet group requirements for reporting. It was also asked to institute a flexible supply policy to support frequent changes in the production schedule resulting from unplanned orders.

The Challenge

After a thorough evaluation, SSEAC selected QAD's MFG/PRO as the solution for its enterprise needs. Management was impressed with QAD's substantial

experience in the household electrical appliance industry and, in particular, with the work of QAD's Electronics Industry Development Group (EIDG). QAD EIDG members consist of some of the top electronics companies in the world, and they attend regular meetings to discuss ways of improving software functionality for the industry. SSEAC also obtained advice from other MFG/PRO users in the industry, including Philips.

After its QAD implementation, SSEAC experienced significant improvements in planning, production, and customer relations.

SSEAC chose an MFG/PRO bundle that included financials, purchasing, sales, manufacturing, and costing modules. The implementation was completed in less than a year.

The Benefits

Using MFG/PRO, SSEAC was able to re-engineer its procedures, based on a thorough enterprise analysis. MFG/PRO helped SSEAC improve control of its BOMs by sharing data across the enterprise, resulting in increased production and procurement efficiencies. Before the introduction of MFG/PRO, data-sharing was impossible, because SSEAC did not have a central database to support links between different units within the company, such as between engineering and R&D.

QAD MFG/PRO has improved data-sharing across SSEAC, resulting in increased production and procurement efficiencies.

The new system also improved SSEAC's production planning by taking into account warehouse in process (WIP) and intermediate stages of production. In addition, it contributed to better customer relations, since SSEAC salespeople can now verify inventory online as they take orders.

“MFG/PRO has improved our planning, increased our production, and contributed to better customer relations because we now have access to real-time data regarding our entire enterprise.”

In the past, it took two weeks for SSEAC to complete month-end closing. Today it takes just two days. SSEAC regards this increase in productivity as characteristic of its return on investment from MFG/PRO.

The Future

Satisfied with the results achieved in China, Groupe-SEB now plans to expand its QAD implementations to GroupeSEB Mexico, another substantial manufacturing site. Other plans include integrating MFG/PRO with SAP, Shanghai SEB's other system.

Story prepared by SSEAC in cooperation with QAD.

Highlights

Company

Company Name	Shanghai SEB Electrical Appliances Co. Ltd. (SSEAC).
Industry	Electronic and consumer MFG/PRO for financial, sales, purchasing, manufacturing, and costing
Products	Brand names Rowenta and Tefal. Non-stick cookware, linen care, and small household electrical appliances, including steam irons, vacuum cleaners, and steamers.

Solutions

QAD Solutions	MFG/PRO for financial, purchasing, sales, manufacturing, and costing
Sites	1
Implementation Time	Less than 1 year
Platform	HP LH 4
Environment	NT 4.0 - TCP/IP with Progress database

Results

- Reduced month-end closing from 2 weeks to 2 days
- Created company's first electronic database and data-sharing capabilities
- Improved BOM handling, procurement, and production efficiencies
- Enabled online verification of sales inventory