

Performance Made Precise: Worldwide Logistics Operation Lean and Compliant

The Company: Global Supplier of High-End Machinery for Electronics Manufacturers

Speedline Technologies (Speedline) manufactures capital equipment electronics companies around the world use to assemble printed circuit boards and semiconductor packaging. Formed in 1998, Speedline has been an independent business unit of Illinois Tool Works, Inc. (NYSE:ITW) since 2006. Based in Franklin, Massachusetts, Speedline was named Frost & Sullivan's "2005 Surface Mount Technology Company of the Year" and has earned their "2006 Competitive Strategy Leadership Award."

The Challenge: Maximizing Global Logistics Efficiency

Each year, Speedline ships thousands of machines to its customers around the world. Over 80,000 items are shipped to support after-market demand. "We pretty well cover the globe. There's virtually no place — discounting embargoed countries — that we haven't shipped a machine," says Roger Clement, Speedline's director of worldwide logistics.

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Roger Clement, Director of Worldwide Logistics, Speedline.

A long-time user of QAD Enterprise Applications, Speedline leveraged shipping capabilities native to the system, coupled with internally developed customizations. With growing needs to document international shipments and meet rigorous regulatory requirements, these

workarounds became too cumbersome. Generating shipping documents required a lot of extra steps and re-keying of information. "A customer order would typically require 165 keystrokes across the ERP system, with the logistics operator shifting between QAD and vendor systems," says Clement.

"With both QAD SV and QAD TMS, we have a tremendous opportunity to use a simple, systemic tool both on the supply side and on the outbound, fulfillment side."

Roger Clement, Director of Worldwide Logistics, Speedline.

The Solution: Unified System Clarifies Shipping Operations

To meet its urgent need for an agile transportation management system that integrated with its core ERP system, Speedline chose a solution from Precision Software, since acquired by QAD. Implementation began in 2006; six Speedline sites now run QAD Transportation Management System (QAD TMS). Companies can implement QAD TMS as an on-site, client/server system or on demand — Speedline uses the client/server version.

Because QAD TMS is highly configurable, Speedline didn't need to adjust its processes to fit the software. "The information flow and the functionality that QAD TMS brings allow us to use standard functionality and eliminate customizations," says Clement.

With real-time visibility into customer demand, logistics managers can deploy resources more effectively. And, Speedline's global sites can easily share business documents using the Web-based document repository. Electronic links to UPS, FedEx, and DHL eliminate the need to re-key information into their proprietary shipping systems. Multiple orders arriving from the same customer or distributor on the same day are automatically consolidated.

QAD TMS automatically flags orders containing invalid data or lacking required information, and screens orders with special requirements, such as the Automated Export System (AES) authorization requirement for international shipments valued at more than \$2,500.

The Benefits: Top Productivity and Global Compliance

Speedline saw positive results within months. “Most immediate was cutting the average order process time by 54 percent, utilizing the connectivity between our ERP system and our transportation providers,” says Clement. “It now takes less than half the number of keystrokes to get that same customer order out.”

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Roger Clement, Director of Worldwide Logistics, Speedline.

“We’ve reduced our error rate through automated feedback to our ERP, bringing consistent accurate data back to our global database,” Clement says. “Overall, QAD TMS has delivered exactly what we set out to accomplish; operational efficiencies as well as improved visibility for management reporting.”

“The most significant change we’ve seen in the last year is the introduction of global compliance functionality. Authorities need to ensure that we’ve got the appropriate controls in place — and the system allows us to demonstrate that very clearly,” says Clement. “QAD TMS allows us to more productively apply systemic compliance screening, enabling us to improve our resource management and bring additional efficiencies to our overall global order management process.”

The Future: Delivering Benefits Up and Down the Supply/Demand Chain

“We continue to tweak the system; functionality from the new version of QAD TMS will allow us to further improve our data entry process,” Clement says.

Clement is also enthusiastic about plans to implement QAD Supply Visualization (QAD SV), QAD’s Web-based supplier collaboration tool. The ability to open up the supplier base to look at things that are inbound, along

Highlights

Company

Company Name	Speedline Technologies
Industry	Electronics; Industrial
Products	Capital equipment used by electronics companies to assemble printed circuit boards and semiconductor packaging

Solutions

QAD Enterprise Applications	QAD MFG/PRO eB2.1, QAD TMS
Hardware	IBM PS/2 75, IBM RISC SYSTEM/6000, PC - 386, 486 PC, HP 9000
Environment	Unix
Languages	English
Number of Sites	Six
Time-to-Benefit	Three months

Results

- 54 percent reduction in average order process time within months
- Data entry keystrokes cut from 160 to less than 80
- Substantial administrative savings
- Significant reduction in error rates
- More effective logistics resource deployment
- Global document sharing
- Greater discipline in logistics processes
- Improved visibility for management reporting
- Global trade compliance capabilities

with the transportation tracking in the new version, will allow Speedline’s logistics managers to not only see what goods a supplier has coming, but also to know where those goods are in the supply chain. “With both QAD SV and QAD TMS, we have a tremendous opportunity to use a simple, systemic tool both on the supply side and on the outbound, fulfillment side,” says Clement.

“With Precision becoming part of the QAD family, this tool is seen as a lot more than ‘that modular system the logistics guys implemented on the back end.’ Rather, it becomes a sophisticated tool integrated with our QAD ERP, and an end-to-end application that enhances our entire supply chain,” he concludes.