"I feel confident that as the digital disruption continues to impact the entire automotive industry, QAD will help us rapidly respond to demand fluctuations, improve forecast accuracy and help our business grow."

Mr. Chaiwat NaSongkhla, General Manager, HAPM Magna Seating System (Thailand)
A RAPID MOVE TO THE CLOUD WITH QAD ADAPTIVE ERP PUTS HAPM MAGNA IN THE DRIVER’S SEAT

THE COMPANY: HAPM MAGNA SEATING SYSTEM

HAPM Magna Seating System (Thailand) Co Ltd. was established in July 2018 as a joint venture of Hubei Aviation Precision Machinery Technology (HAPM) in China and Magna International in Canada. The company manufactures seat assemblies on a just-in-time basis to Tier 1 providers and multiple OEMs. They have a diverse product line including more than 100 varieties of car seat recliners, 80 car seat glides, two types of car transmission shifting forks and dozens of fine blanking parts.

As part of the process of establishing the new site, HAPM Magna needed to get their production lines up and running without delay. They had recently received a substantial contract to supply seating parts for the new X5 BMW in Thailand, a vehicle that will be locally assembled in Thailand and exported to China. It was important to be ready for the new business, but also to establish the business systems required to support growth and adapt to business changes as efficiently as possible.

“We are a newly established plant with only one customer, but we knew we had to include our forecasted business growth within our ERP decision. We need an ERP solution that will help us look to the future and provide the flexibility required to address our growth objectives,” says Mr. Chaiwat NaSongkhla, General Manager, HAPM Magna Seating System (Thailand).

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THE CHALLENGE: A SHORT TIMEFRAME TO MEET NEW OEM CUSTOMER EXPECTATIONS

As a new site, HAPM Magna didn't have any systems in place, and they had a short window to begin producing and delivering products to their first customer, BMW. They had committed to delivering to BMW in March 2019, and immediately needed support for forecasting, supply chain visibility and built-in best practice business processes. The parent company’s headquarters uses a two-tier ERP approach with both SAP and QAD.
The new facility decided to limit their search to those two systems even though the corporate leadership did not impose any restrictions on the plant’s choice. With only five months before BMW was expecting the first delivery, they couldn’t afford any missteps or delays. With such a short window and no existing systems to fall back on, HAPM Magna needed to make the right choice. They needed a solution that not only had the required functionality but also a team that understood the urgency of meeting the schedule. Any slip in the go-live date could be a disaster.

“In addition to a rapid implementation, data accuracy and data security in the cloud were also important elements for us. We recognized that this would support our forecast accuracy efforts and establish best practice business processes for our new site,” explains NaSongkhla.

THE SOLUTION: CHOOSING QAD ADAPTIVE ERP OVER SAP ENABLES HAPM MAGNA TO ESTABLISH A NEW PLANT IN RECORD TIME

Several members of the HAPM team had a great deal of experience and familiarity with SAP, but after doing their due diligence on both systems, they realized that QAD better understood HAPM Magna’s business. They were impressed by QAD’s supply chain management capabilities and the software’s ease of use. This was important for establishing the new plant in time for the commitment to their first contract. They also realized the company could avoid customizations and modifications to the software because of its ideal fit for automotive suppliers.

There was no question it would support the company’s need for rapid implementation and future growth. “The limited timing put a lot of pressure on everyone involved, but after QAD presented the implementation plan using the QAD Easy On Boarding methodology, we were confident we could go-live in the production environment within five months,” says NaSongkhla. “Once we recognized that QAD was the right decision for us, the next decision was between an on-premise or cloud solution. Our headquarters had limited experience with the cloud environment and had concerns about the risk.”

“After the QAD team shared with us the risks of staying on-premise and the costs associated with that decision, we made the decision to go cloud. In the fast-changing automotive industry, not having to invest in headcount and infrastructure, allows us to focus on our core business.”

“QAD is totally different from other ERP solutions. They have been in the business since 1979 and they are a financially strong, global business. The company profile is impressive, but the best thing about QAD is they have a team that expertly understands the manufacturing business and the customer’s needs,” confirms NaSongkhla.
THE BENEFITS: WITH QAD, HAPM MAGNA FINDS CONFIDENCE AND SECURITY IN AN ‘INDUSTRY RIPE FOR DISRUPTION’

As expected, the QAD Easy On Boarding implementation process provided a rapid implementation by ensuring that everybody knew what was expected of them and when each task’s deadline was approaching. HAPM Magna started with a goal of producing nine car sets per hour, but by the time the system was up and running they were up to 10-11 sets per hour.

As part of a continuous improvement strategy, they are looking at additional QAD solutions and expect to implement QAD Automation Solutions (AS) in the near future. QAD Automation Solutions is an intelligent, precise and traceable data collection solution that improves effectiveness and efficiency.

QAD AS tightly links with QAD Manufacturing to improve operational visibility, control and accuracy throughout the internal supply chain, from inbound to production, to outbound activities.

“We predict that with QAD Automation Solutions fully implemented, we can achieve even greater productivity.”

To ensure rapid communication with suppliers, HAPM Magna is also implementing QAD Supplier Portal. QAD Supplier Portal creates value for manufacturers by improving supplier collaboration and supply chain visibility, allowing for faster responses to changes in supply and demand. The solution facilitates real-time communication between manufacturers and suppliers while reducing error-prone manually intensive processes. QAD Supplier Portal will provide the extra visibility HAPM Magna needs to keep production running smoothly, and it will establish closer relationships with key suppliers.

HAPM Magna plans to implement the QAD Adaptive UX in the near future so they can take advantage of the integrated Action Centers to control, manage and analyze results within the plant. They are also looking forward to using mobile approvals on tablets and smartphones to improve management productivity.

HAPM Magna is also evaluating QAD’s new Production Execution solution for improved shop floor visibility. QAD Production Execution delivers a highly visual and intuitive interface for automated and operator-initiated shop floor transactions. This results in fewer paper-based processes and improved shop floor data integrity.

“The entire automotive industry is ripe for digital disruption, but I feel confident that QAD will enable us to adapt to changes with ease and help our business grow,” concludes NaSongkhla. “We selected QAD because we felt confident in the team and their ability to execute and understand our business. And we made the right choice.”

“...we predict that with QAD Automation Solutions fully implemented, we can achieve even greater productivity.”

Mr. Chaiwat NaSongkhla, General Manager, HAPM Magna Seating System (Thailand).