INDUSTRIAL REMANUFACTURED PARTS MANUFACTURER

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Remanufacturing Facility Project Manager

INDUSTRIAL REMANUFACTURED PARTS MANUFACTURER

QAD ADAPTIVE ERP ENSURES REAL-TIME DATA IN THE CLOUD AND INCREASED EFFICIENCY

THE COMPANY: INDUSTRIAL REMANUFACTURED PARTS SUPPLIER

For decades, this Industrial Manufacturing Company has been a leading manufacturer of equipment

| HIGHLIGHTS	
Company	Industrial Remanufactured Parts Supplier
Headquarters	Mexico
Industry	Industrial
Products	Remanufactured Engine Parts
Solutions Utilized	QAD Adaptive ERP, QAD Production Orders and QAD Automation Solutions

for construction, mining, energy and transportation industries. This company has remanufactured engines and components for its own machines and power systems for many years. What began as a small operation to meet the product support needs of truck engine customers has grown to include more than 700 products, including hydraulics, drivetrain, fuel systems and tires for the automotive and industrial markets.

The remanufacturing operation has been in production for more than three decades and employs more than 1,700 people across three plants and one warehouse. This facility re-manufactures engine parts such as fuel injectors, turbochargers, alternators, ECMs, starters, hydraulic pumps, filters and nozzles. The remanufactured parts provide same-as-new performance and reliability at a lower price while reducing the impact on the environment. This site also offers a customer reward program for customers who return their cores (used components) for remanufacturing.

THE CHALLENGE: THE REMANUFACTURING PROCESS OFFERS UNIQUE CHALLENGES FOR MANAGING INVENTORY

The remanufacturing process is different from a traditional manufacturing process as it includes inspection, cleaning, storage, disassembly, reprocessing, reassembly and testing activities. As a result, unique challenges are introduced and need to be addressed.
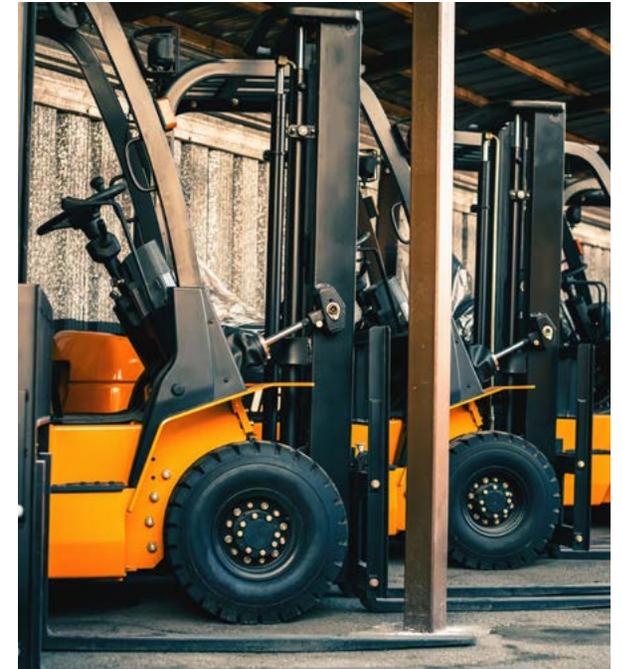
The process begins with customers sending their cores to the remanufacturing facility. The team needs to manage the inventory of cores, keeping them separate from new items.

Once onsite, the first step is to disassemble the cores and put them through a thorough cleaning before deciding which components can be reused and which must be replaced. The products may undergo material restorations and precision machining operations. The

cores are then reassembled, using a combination of new and restored components.

Because every core requires different components and processes for full restoration, each core has a unique bill of material and routing. This places a high burden on the team and makes it challenging to plan using traditional forecasting and MRP techniques.

This facility is a long time QAD customer, but had been using an outdated version of QAD ERP, which had been in place without an upgrade for many years. The hardware and software were both entering their end-of-life stage, and the company was concerned about future support and the risk of running on an old release.

Over the years, to adjust to changing business needs, they had heavily customized their system. Key processes like cost calculations and forecasts were done manually outside the system, leading to delays, errors and miscommunications. Many of the processes were undocumented, and the company relied on local knowledge to keep things running. In addition, because the systems were disjointed, it was difficult for the company to define and monitor production metrics.

THE SOLUTION: QAD ADAPTIVE ERP PROVIDES VISIBILITY AND REAL-TIME SOLUTIONS IN THE CLOUD

As part of a corporate initiative, it was determined that the remanufacturing facility would be the first of the parent company's sites to upgrade to a modern, fully supported ERP solution. They chose to move to QAD Adaptive ERP because they wanted the accessibility of a cloud solution.

"We decided to upgrade mainly due to the end of life of maintenance and support for our version. Also, we wanted to be current on the latest technology and avoid the risk of failure that can come with running an outdated system," explains the facility's project manager.

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A large team was assembled for the project including both the facility and QAD members to make sure all departments and users had their needs addressed. The team spent several months mapping their existing processes to the new system, with the goal of minimizing customizations. They also decided to implement QAD Automation Solutions and participate as early adopters of QAD Production Orders.

QAD Production Orders allows manufacturers to manage and monitor manufacturing and shop floor operations with a single, centralized solution. Using Production Orders, manufacturers can assess productivity and material availability issues quickly, while better meeting customer requirements, to thoroughly improve visibility and production management transparency. Integration with QAD Automation Solutions enables manufacturers to further optimize production processes, accurately capture production data, automate flexible picking policies and print labels according to manufacturer, supplier and/or customer formats.

IMMEDIATE INCREASE
IN PROCESS EFFICIENCY

THE BENEFITS: INCREASED EFFICIENCY, IMPROVED PROCESS MANAGEMENT AND EASIER DATA ACCESS

With the upgrade and inclusion of QAD Production Orders and Automation Solutions, the remanufacturing facility noticed an immediate increase in process efficiency because they were able to eliminate many manual and customized methods.

For example, the finance team is now able to use the system for cost calculations and managing currencies. The Supply Chain team is pleased with the improved visibility into both supply and demand, while Production enjoys the ability to easily view data from different work centers and production areas.

"With the upgrade, we use so many functions now in the system. In the past, many of these functions were outside the system and this created a more manual process," comments the facility's project manager.

The company has been able to improve planning from monthly buckets to weekly buckets, giving them more agility and improving customer service. Inventory and warehousing departments have improved their ability to track transactions, and all users enjoy the single sign-on capability.

As the head of finance said, "Overall we are very pleased, and we expect even more improvements as we become more familiar with the system."

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