



CUSTOMER CASE STUDY

# FLEXIBLE PACKAGING MANUFACTURER

“Machinery maintenance is a top priority for us, and we needed a companywide comprehensive, consistent maintenance management program. We found it with QAD EAM.”

**Director of Information Technology,  
Flexible Packaging Manufacturer**





# FLEXIBLE PACKAGING MANUFACTURER

## PACKAGING COMPANY STANDARDIZES MAINTENANCE PRACTICES AND DEFINES SPECIFIC MAINTENANCE COSTS WITH QAD EAM

### THE COMPANY: FLEXIBLE PACKAGING MANUFACTURER

This QAD customer is a quality manufacturer of flexible packaging materials with 20 production facilities located throughout the United States and Canada. The company began over 100 years ago

HIGHLIGHTS	
<b>Company</b>	Hood Packaging Corporation
<b>Industry</b>	Industrial
<b>Products</b>	Flexible Packaging
<b>Solutions Utilized</b>	QAD Enterprise Asset Management (EAM)

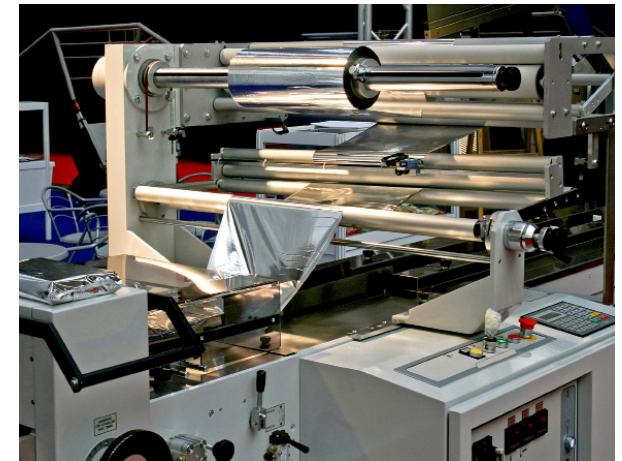


in the jute and cotton trade, growing by acquisition and innovation. Over time, they have expanded their flexible packaging skills as technology developed.

The company is organized along two product types – paper and plastic. The Paper Division has 12 geographically diverse locations across the United States and Canada making flexible paper packaging structures in a very wide range of types, formats and closures. The Plastics Division has eight production locations, also with the broadest possible selection of structures and unique applications. Cross selling their products allows this flexible packaging manufacturer to develop unique product and supply arrangements.

The company’s products include multiwall paper packaging, flexible plastic packaging, woven polypropylene bags, liquid packaging and specialty coated materials for a wide variety of contents such as human food and animal feeds, cement, fertilizer, street salt, chemicals and much more.

Highly responsive to the personalization necessary for the packaging that their customers will use for consumer-facing products, the company constantly evaluates new trends in the industry, bringing innovation to their customers.



### THE CHALLENGE: HOW TO BEST MANAGE AND MAINTAIN MILLIONS OF DOLLARS OF MACHINES ACROSS MULTIPLE PLANTS

Massive and very expensive machinery is often at the heart of many flexible packaging manufacturers. Printing presses, folding, cutting and extrusion machines are the workhorses of the company and keeping them in working order is imperative for daily operations and long-term financial viability.

Each of this flexible packaging manufacturer’s 20 plants in the U.S. and Canada has printing, tubing, and bottoming machines and the plastics plants also have extrusion machines.

“It’s not uncommon to have machines up to 40 years old and many would cost millions to replace,” comments the company’s senior IT business analyst. “Preventative maintenance is very important as unexpected breakdowns impact profitability and replacing machines can be quite cost prohibitive.”

Before implementing QAD Enterprise Asset Management (EAM), maintenance was siloed in each plant. “There was generally one expert at each plant and the maintenance system was often what the expert brought with them from a previous job,” continues the senior IT business analyst. “Many different maintenance systems were being used at various plants. When a specialist would leave, it was common for the new specialist to bring in another different system.”

“We needed commonality in maintenance practices. We needed better visibility into how the various machines performed. We needed a way to specifically assign costs rather than using ‘other’ costs. And we needed a way to more effectively determine when replacement makes more financial sense than keeping a machine on life support.”

“We needed an effective maintenance management system.”

### THE SOLUTION: COMPANYWIDE QAD EAM IMPLEMENTATION

“We’ve been aware of QAD EAM for quite some time and there’s been interest from various plants over the years,” notes the director of IT. “After seeing a demo for QAD EAM, we began to have conversations with our plant managers and share information. We recognized the importance of having their buy-in on the project.”

Once enough plants had expressed interest in improving their maintenance management, they put together a corporate plan and begin implementation of EAM.

This flexible packaging manufacturer first set up a “war room” to determine a plan at the corporate level to implement the Equipment, Purchasing and Inventory elements of EAM. Coding conventions and various processes were determined and designed, a corporate directive was established and implementation of EAM began.



The implementation was done in stages, including:

- One week of training with the maintenance manager and other key maintenance players on the EAM system was held using test data, inventory, parts and PMs.
- Following a five to six week ‘practice’ period, the training team came back for another week of training which was done as a conference room pilot program. The newly entered data was used in a test environment and documentation and work instructions were written.
- The on-site team then had another three to four weeks to finish the data load at which point, the training team returned for a final week of end-user training which involved all the maintenance

technicians and product users before the product went live.

“The first implementation went very well, and was met with enthusiasm from the management and users,” adds the senior IT business analyst. “Using the implementation plan we developed at the first plant we are now working our way through all of the plants.”

“Each implementation takes about three months using the same established pattern. The data loading can be time consuming, but the implementations are planned out to be nondisruptive to the day-to-day functions of each plant.”

The implementation process has proved so effective that multiple implementations can be done simultaneously at various plants with the creation of roving training team schedules.

Eight EAM installations are completed with implementations planned at all the additional plants.

### THE BENEFITS: GREATER VISIBILITY AND COORDINATION OF MAINTENANCE PRACTICES AND COSTS COMPANYWIDE

“Gains in visibility is the greatest value EAM has brought to our company,” notes the director of IT. “With each EAM implementation, we harvest additional and more specific information about our maintenance processes and machine performance.”



“Allocation of costs also becomes more refined. Many costs that were going into an ‘other’ category, can now be assigned to specific machines and/or processes,” continues the director of IT. “We can also now make more timely decisions on machine replacements, as we can easily determine replacement cost vs increasing maintenance and time-lost costs with the more detailed information gathered in EAM.”

Some of the other gains EAM has brought to this flexible packaging manufacturer include:

- Better inventory control of amount of spare parts and MRO materials on hand, location and reordering schedules
- Improved awareness and better scheduling of preventative maintenance
- Detailed information on unplanned downtime incidents by work center, specific machines and timing
- Centralized and standardized inventory practices using plant level dashboards allowing cross-plant analytics resulting in cost savings and down-time reduction
- Uniform understanding and improved communication with corporate wide encoding and data definition
- Elimination of manual purchase requisitions, duplicate entries — reducing potential errors. Information is now put directly in EAM and goes automatically into the company’s QAD ERP system, which is used throughout all of the organization

BY HAVING THE PART  
IN ONE DAY FROM  
ANOTHER PLANT

DOWN TIME IS REDUCED BY  
**2 WEEKS**

COMPARED TO WAITING  
TO RECEIVE IT FROM  
THE SUPPLIER

- Improved work order processes – the number of work orders, the nature of the work orders, and parts and labor per work order is now all automatically captured by EAM
- Uniform maintenance application across plants reduces the risk of skills gap and assures a data-centric basis for future maintenance continuity.

“We are also building a spare parts inventory across the company as EAM is implemented in each plant,” adds the director of IT. “There are similar and exact machines in multiple plants, and EAM gives us the visibility to be able to reduce/eliminate downtime by sharing parts between plants. When a plant needs a replacement part, EAM has the information of what other plants have the needed part. We can then borrow a spare part from another plant without having downtime waiting for delivery from a supplier. The replacement part can then be ordered and delivered to the donating plant without incurring rush charges. This will also reduce downtime considerably by having the part in one day from another plant compared to waiting two weeks to receive it from the supplier.”

“With EAM we now have consistent maintenance practices across the company and multiple experts in each work center,” comments the director of IT. “When there are personnel changes we now have bench strength, and work can continue seamlessly.”

“EAM is used as a communication tool corporatewide and acceptance of EAM has gone very well. It captures exactly what we were looking for,” concludes senior IT business analyst. “We have received very positive, unsolicited feedback from users – they really appreciate EAM’s capabilities and ease of use.”

“Before EAM we didn’t know the specific breakdown of our maintenance spending. It was based mainly on opinion and experience. With EAM it’s now based on facts.”

Senior IT Business Analyst,  
Flexible Packaging Manufacturer

