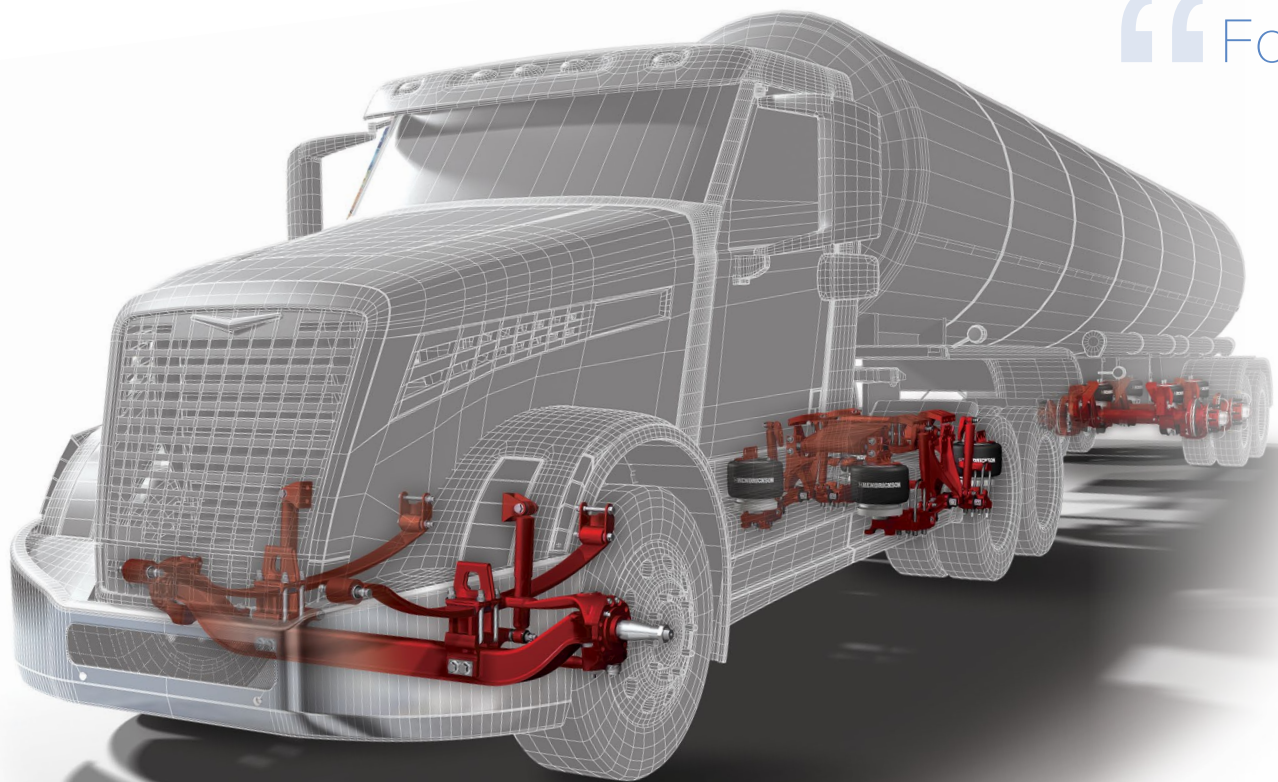




CUSTOMER CASE STUDY

HENDRICKSON



“For each challenge we had,
QAD provided the tools
to find a solution.”

Scott Aselage, Plant Manager, Hendrickson





HENDRICKSON

QAD DEVELOPS INNOVATIVE
AUTOMATION SOLUTIONS TO
MEET COMPANY'S NEEDS

THE COMPANY: HENDRICKSON

Hendrickson is a leading global manufacturer and supplier for the commercial transportation industry. They produce medium- and heavy-duty mechanical,

HIGHLIGHTS	
Company	Hendrickson
Headquarters	Itasca, IL
Industry	Automotive
Products	Truck and Trailer Suspensions, Axle Systems and Bumper and Trim Components
Solutions Utilized	QAD Automation Solutions



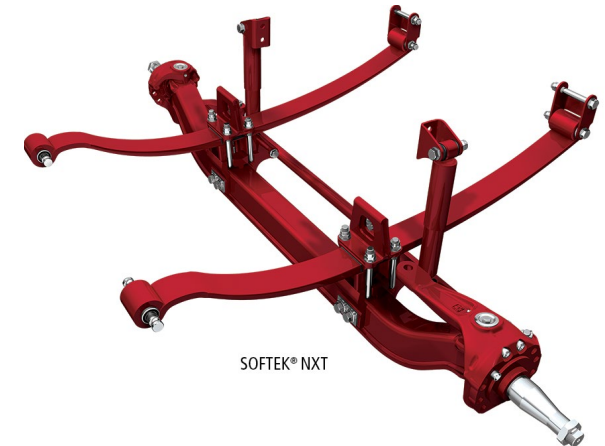
elastomeric and air suspensions; integrated and non-integrated axle systems; auxiliary lift axle systems; parabolic and multi-leaf springs; stabilizers; and bumper and trim components.

With 25 manufacturing facilities employing more than 4,000 people globally, Hendrickson has four divisions: Truck and Trailer Suspension Groups, Special Products Group and the International Group. With an OEM and aftermarket customer base, Hendrickson realizes annual revenues in excess of \$1.3 billion. Their tagline, "The World Rides On Us" summarizes Hendrickson's growing global position in the transportation industry.

THE CHALLENGE: HOW TO ACHIEVE
EFFICIENCY WITH SPECIFIC NEEDS WHEN
STANDARD SOLUTIONS ARE NOT THE
ANSWER

Hendrickson manages both manufacturing and distribution within the same four walls at each of their plants. As a result, they are required to store large amounts of raw materials and prepare, package and ship large amounts of various finished products to customers.

"We were not as efficient as we wanted in the directed put-away of the raw materials or finished products," notes Scott Aselage, plant manager. "As



inventory came in and products were completed, work-center and shipping requirements were not easily visible. This caused multiple moves of the same materials and waits for materials at the work-centers and shipping areas."

"Our picking and packing functions for sales order shipping were also not optimal. Paper-based pick-sheets quickly became outdated; material handlers were at a disadvantage not being able to easily see which locations had enough inventory to fill an order, and sales orders were being done one at a time causing multiple trips for the same parts in the same place for different orders," continues Aselage. "It all caused long lead times, the need for more material handlers and equipment and time-wasting redundancies."

"We needed better materials management but we found standard Warehouse Management Systems (WMS) weren't compatible with our company methods, and were also too narrowly focused on only warehousing of materials" adds Murthy Mundrigi, IT project lead. "We needed a specific solution, and working closely with QAD, we realized they could provide what we needed."

THE SOLUTION: QAD DEVELOPS QAD AUTOMATION SOLUTIONS FOR HENDRICKSON

Hendrickson had a legacy system in place to track material, but it wasn't meeting all of their needs. After exploring several options within their current system as well as external options, they approached QAD for a solution. Hendrickson furnished QAD information on the current process and flow of their incoming and outgoing materials and what they wanted and needed to achieve. Working closely with Hendrickson, a QAD team designed and developed two new automated solutions – **Purchase Order Receipt (PO) - Directed Put Away**, and **Sales Order - Bulk Pick**, each beginning with the establishment of zone-based inventory locations.

The **Purchase Order Directed Put Away** solution was created based on:

- Scheduled item requirements at shipping and work center locations
- Optimal shipping location pack areas
- Anticipated needs
- Work-center locations in order of earliest open release date
- Item default zones and open hole locations



The **Sales Order Bulk Pick** solution focused on generating more efficient picklists with:

- Best possible pick suggestions (i.e. correct quantities and locations)
- Consolidation of pick requirements per item for the selected pick window
- Real time pick requirement calculations
- On Time Put-Away Suggestions
- Custom reports to track picking

"It was a very collaborative process and resulted in true, from-the-ground-up enhancements," notes Mundrigi. "We used our Stratford, Ontario plant as a pilot project and developed the Put-Away and Bulk Pick solutions at the same time."

"These were completely different processes for Hendrickson," adds Aselage. "Not only was the software new but how the materials flowed was completely different. From the shop floor perspective, it wasn't just learning new software. It was learning a totally new process."

The two new Automation Solutions modules were completely developed and tested, and extensive training completed before going live.

"We ran every employee through a series of training sessions to teach them all the new processes and transactions, and the new information they were going to be seeing," comments Mundrigi.

"We did a lot of unit testing prior to going live and the go-live process went very smoothly, only taking about a couple of hours," notes Aselage. "In general, the users adapted very quickly and have been happy with the new more efficient systems. We have made some changes and adjustments as we have seen how it all works in real time, but the end result is very much what we planned from the beginning."

THE BENEFITS: SUBSTANTIAL IMPROVEMENTS IN TIME SAVINGS, ERROR REDUCTION AND INCREASED EFFICIENCY

Hendrickson has realized substantial improvements from the solution so much so, that Hendrickson's custom solutions have been standardized and packaged as a feature now available to all QAD customers - QAD Automation Solutions.

The Purchase Order Directed Put Away solution has resulted in a 40 percent improvement in material handler efficiency with reduced wait times at both shipping and work-centers. They have also seen a reduction in wait times at shipping and work-centers. With the new system, consolidated item put-away improves future pick efficiency and space utilization.

With the new Sales Order Bulk Pick solution, shipment packer efficiency has improved by 30 percent and a 60 percent improvement in material handler efficiency. Prior to the solution, material handlers were covering multiple aisles and picking for one order at a time. Often times, different

PURCHASE ORDER DIRECTED PUT AWAY

40% IMPROVEMENT
IN MATERIAL HANDLER EFFICIENCY
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SHIPPING AND WORK-CENTERS.

material handlers were picking the same item in the same location for different orders or making multiple trips back to the same location for the same part but different orders. Now, with QAD Automation Solutions in place, Hendrickson has seen a 30 percent reduction in picking errors and a 50 percent reduction in picking lead time.

“We have been very pleased with the success of our plant pilot program,” adds Aselage. “These two new modules are now part of our portfolio and will be used at subsequent plants as we roll it out across

“We are implementing QAD Automation Solutions in all of the plants where we are going to roll out QAD.”

Senthil Kannan – IT project lead

the company. QAD Automation Solutions scale up very well for easy application across our multiple facilities with their varying size and complexity.”

“Working with QAD has been a good experience for us – we shared quite a few ideas and it was clear that QAD has an innovative vision for the future of its customers,” concludes Senthil Kannan, IT project lead.

SALES ORDER BULK PICK SOLUTION

30% IMPROVEMENT
IN SHIPMENT PACKER EFFICIENCY.

60% IMPROVEMENT
IN MATERIAL HANDLER EFFICIENCY.

