

Industry: Automotive

Electoral Components Manufacturer

ECM is a repetitive goods manufacturer and their MRP system was unable to handle the production scheduling efficiently. This led to the following problems:

- ◆ Excess inventory
- ◆ Stock-outs
- ◆ Planners spending most of their time on emergencies
- ◆ Problems with suppliers flooding parts based on MRP schedules and blanket Purchase Orders
- ◆ Shortages resulting in long customer lead times
- ◆ Loss of machine time in both Mexico and US plants
- ◆ Facilities across geographic borders lacked visibility into each other's operations and inventory status

CUSTOMER PROFILE:

This Electrical Components Manufacturer (ECM), is a manufacturer of the world's most complete line of custom fractional horsepower motors, blowers and gear motors for the automotive, HVAC and other industries. ECM employs over 5,000 individuals across 13 facilities.

BUSINESS SITUATION:

ECM's operations were spread across multiple plant locations in the U.S. and in one plant in Mexico. Components manufactured in the U.S. plants were being consumed primarily by the assembly plant in Mexico and then shipped directly to their customers worldwide. In addition, the Mexico plant was buying from suppliers locally and the MRP was not updated. Sometimes parts were delayed in customs and the plant in Mexico had no visibility as to when parts would arrive. This resulted in a need to carry excess safety stock. Purchase orders were difficult to create across the two plants and the MRP forecast could not keep up with the delays or spikes in inventory.

OUR SOLUTION:

First, Ultriva did a study of ECM's inventory and was able to show where processes could be streamlined and excess inventory could be reduced with the subsequent financial savings. Then Ultriva implemented the [Collaborative Supply Portal](#) featuring [Electronic Kanban](#) or eKanban.

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Results:

- ◆ A 35% savings on inventory.
- ◆ Elimination of lost machine time
- ◆ Line side scheduling instead of forecast based eliminating manual ERP transactions
- ◆ Improved supplier communication and delivery performance and better control over supplier shipments.
- ◆ Better customer retention and sales based on improved delivery cycles.
- ◆ Plants gained the ability to control and manage the 'Physical Flow of Goods' between the facilities and with suppliers.

About Ultriva Inc.

[Ultriva](#) empowers leading industrial, automotive, healthcare, aerospace and defense businesses to operate more effectively and collaboratively by providing real time visibility and targeted actionable intelligence into inventory and material flows. Ultriva's cloud-based platform leverages and seamlessly integrates with leading ERP and MRP systems, to deliver an end to end pull based replenishment model.

THE RESULTS:

Ultriva's [Collaborative Supply Portal](#) allows all ECM plants to gain real-time visibility of their inventory from one system. Because all parts are on eKanban, when parts are delayed at customs, the Mexico plant can see and add in transit time or an extra shipment. This scalability made it easier to manage spikes and valleys. Safety stock could now be greatly reduced. Also, purchase orders are now consistent and the Ultriva software updates the existing MRP.

ECM realized a 35% inventory savings using Ultriva. This included not only savings on inventory carrying cost, but also associated overhead in storage, tracking, obsolescence, etc. ECM gained real-time visibility of work in progress (WIP) and also eliminated lost machine time due to unavailability of inventory. Now using line-side scheduling instead of forecast based ordering, ECM saved several thousands of manual ERP transactions per year resulting in substantial bottom line savings. Using the Portal, supplier communication and delivery performance improved dramatically and also gave ECM better control over supplier shipments. All Plants gained the ability to control and manage the 'Physical Flow of Goods' between the facilities and with suppliers. This resulted in better customer retention and sales based on improved delivery cycles.

