



Borch Machinery Co., Ltd.

Company Facts

- Location: Guangzhou, China
- Industry: Injection moulding
- Web site: www.borch-machinery.com

“Epicor ERP is ideal for medium-sized enterprises. Its complete suite of solutions and SOA framework not only satisfies our requirements now but can also be flexible to expand and upgrade in the future to help Borch to implement lean manufacturing initiatives.”

Zhu Kang Jian, Director and CEO | Borch Machinery Co., Ltd.

Success Highlights

Challenges

- Need for better market response, lower operating costs, faster production, and higher quality services
- Required technology that supports the plan of developing a digital plant
- Existing ERP limitations restricted development

Solutions

- Epicor enterprise resource planning (ERP)

Benefits

- Increase in profit margin with the enhanced ability to control costs
- Real-time information ensures up-to-date pricing information
- Cost efficiencies delivered through streamlined business processes
- Supply chain portal has been greatly enhanced, increasing inventory turnover
- Increase operational efficiency in the production department
- Effectively reduce the number of work hours wasted and improve equipment utilization

Established in early 2003, Borch Machinery Co., Ltd. is a high-tech enterprise that specializes in the design, manufacturing and sales of high-precision and energy-saving injection moulding machines. Borch is one of the top three companies in the Chinese Injection Moulding Industry.

The company has two production bases in Guangzhou and Hangzhou that encompass a total area of approximately 180,000 square meters and has more than 900 employees. The plants are equipped with the latest advanced digital processing centers in the world and have an annual production capacity of up to 15,000 standard units. Over the last decade, the company has become a leader in research and development capabilities, manufacturing capacity, and marketing for the plastic machinery industry. The company's influence continues to grow with its products reaching overseas markets.

Rapid development and breakthrough in information technology

Borch has grown rapidly over the years and the company plans to further expand its operations. In order for Borch to become a global industry leader and total solutions provider, the company must ensure that their operations adapt quickly to ever-changing market conditions, all while keeping operation costs low, increasing the speed of production, and maintaining top-notch customer service. As such, a strong information technology (IT) infrastructure is vital for Borch to achieve this.

Borch was aware of the important role IT plays in the plastic injection moulding industry and created an IT department to set up a network framework and information system.

After much consideration, Borch decided to engage a U.S. ERP provider to help implement an ERP system. However, after a few years, the original ERP began to show limitations of its framework and functionality.

As Borch grew in scale and business started to develop rapidly. The production planning and functionality of its aftersale service modules were unable to keep up with the plant's growth and were not able to manage multiple plants simultaneously.

This, together with other issues, meant that not only was Borch unable to increase its operational efficiency, the incumbent ERP system also impeded the company's operations.

While Borch's expansion plans were underway, the management also established a new strategy to leverage technology systems such as ERP, PDM, CRM, and OA to integrate the organization's operations, research and development, procurement, finances, logistics, sales, and other department functions.

The goal was to achieve real-time access to information relating to financial data, production planning, order management, manufacturing process control, cost control, and customer service to standardize logistics, information and capital flow, and ultimately realize intelligent manufacturing.

With the new information strategy in mind, selecting a new ERP system and its application became an important focus for Borch. The new ERP system needed to be equipped with an advanced software framework and must offer flexibility for expansion while satisfying the company's current needs. In addition, it must be suitable for the features of the machinery industry and must be compatible with the company's management methods.

Epicor—A total solutions provider for Borch

After more than two months of inspecting and evaluating multiple software vendors, Borch chose Epicor. Zhu Khang Jian, owner of Borch Machinery, says: "Borch has been using Epicor ERP system for four years. Looking back at things now, the decision we made was the correct one. When selecting a suitable software, we are not only choosing a product, but more of a total solutions provider that moves in sync with our management style."

According to Kang Jian, the reason Borch chose Epicor was because it is ideal for medium-sized enterprises. During the selection, Borch also considered using larger systems. However, implementing such systems was not ideal for Borch's current infrastructure and requirements. After much evaluation, it was decided that the software provided by Epicor was most suitable for the company. From the product standpoint, the application of the ERP system should bring together modules such as order, procurement, inventory, cost, and process management, and have other extended functions, such as planning and scheduling, as well as site and quality management. A complete

set of solutions based on SOA framework can satisfy current needs and also be flexible to expand and upgrade in the future to help Borch implement lean manufacturing.

The final element that convinced Borch was that Epicor has an excellent and professional team. Together with Borch, the Epicor team discussed and communicated with the company representatives in detail to meet Borch's needs, resolve any immediate issues the company had with the application of the ERP system, and build a long lasting relationship with the company.

Strong partnership built on mutual trust

"Choosing an ERP system is like looking for that potential lifetime partner. It has to be a perfect match in order for the system to work and reap the desired results," commented Kang Jian. "I believe Epicor is the perfect ERP partner for Borch."

The ERP system has to be carefully selected because it represents the adoption of a philosophy and management model.

Epicor has extensive experience in the discrete manufacturing industry. The company has localized its global software to meet the unique needs of the Chinese markets and requirements of local enterprises.

In addition, Epicor opened its Guangzhou technological center during the Chinese New Year in 2013, which showed Borch its commitment to the Chinese market. The objective of having this technological center was to respond promptly to the requests of local companies.

Borch was so satisfied with Epicor ERP that they even recommended them to other suitable companies that wanted to excel in their fields.

The system was implemented in phases. During the first phase, Borch's archived data was imported into the ERP system and a barcode system was created for data collection at production lines, warehouse and logistics to provide support for the new ERP solution.

Following that, modules such as warehouse management, plant management, production scheduling, and order management were implemented in sequence.

As soon as Epicor ERP was implemented, Borch experienced the benefits of the solution. The system helped the company resolve complex processes by effectively managing complicated data and coding information, increasing the processing speed for critical businesses, supporting greater volume of business operations and development, and providing the initial realization of paperless manufacturing at the workshop.

Borch also realized that a more efficient and lean financial and cost control system was required. Before the ERP system went live, any procurement information that was communicated between the procurement department and the supplier was through fax. When the purchase details were received, the information had to be put into the system manually. This resulted in a waste of manpower, inaccurate data entered into the system, and slow production processes. As for the production department, there was an urgent need for a leaner and paperless process. The legacy ERP system was unable to monitor

the production process and the system relied on issuing production orders through paper documents. Purchase orders were easily missed and a large amount of energy was spent on order management.

With the ERP solution in place, the system was upgraded to another level. The second stage of the phase began shortly after Epicor ERP went live. The focus was on resolving issues with financial costs, supply chain and production, and to further improve and upgrade the ERP system to broaden its functionalities and coverage.

“The ERP implementation process was considered a smooth sailing project. Though there were challenges along the way, we managed to iron things out and reach a consensus.” said Kang Jian.

Epicor ERP has helped Borch achieve its desired results. The next stage will be to optimize the system to improve operational efficiency and achieve lean manufacturing. Epicor ERP system will help Borch to become an industry leader.

Borch—A satisfied customer of Epicor

Currently, Borch Machinery’s Guangzhou plant occupies around 87,000 square meters of land which include a 56,000 square meters workshop. The factory employs more than 400 employees and has an annual revenue of approximately RMB 1 billion. Epicor ERP and IT have played a huge role in helping Borch achieve this.

This is first reflected in cost control. Cost control is very important for the machinery and equipment industry as it is not easy to provide accurate estimates. Epicor ERP enables quick and accurate financial costing based on data such as the costs, materials, labor costs and historical prices of past products to provide the total cost and cost structure for each product model. Costs are updated in real time according to specific project configurations. In addition, the system can quickly query components, cost structure of parts, and the costs of various processing operations to provide reliable data for financial budgeting and fulfill the needs of optimized financial cost management.

In terms of supply chain integration, the Epicor supply chain portal is no longer dependent on communication with suppliers through

paper-based media. Orders can also be placed with suppliers online. Hence procurement management is now more timely, accurate and complete.

With regards to production site management, the construction of a lean manufacturing execution system (MES) has evolved the way production orders were managed, which traditionally required the passing of orders and product drawings. The production crew can assign production tasks directly in the MES through the LED and touch control terminals at the production site. This means that production and processing tasks can be performed in real time and that the time spent on managing orders and drawings is reduced. Thus, improving work efficiency drastically. At the same time, the real-time data response allows the plant manager to have clear control over the entire manufacturing process and provide accurate data support for production decisions.

Epicor did not just introduce technological improvements at Borch, but also enhanced the company’s operational philosophy and methods. The year 2013 marks the beginning of a second decade for the company.

From an IT perspective, the processing of complicated and tedious tasks through an ERP solution has helped shorten processing time, lower the labor intensity, and reduce the error rate. Work has become fuss free for employees, which translates to a content staff.

About Epicor

Epicor Software Corporation is a global leader delivering business software solutions to the manufacturing, distribution, retail, and service industries. With more than 40 years of experience, Epicor has more than 20,000 customers in over 150 countries. Epicor solutions enable companies to drive increased efficiency and improve profitability. With a history of innovation, industry expertise and passion for excellence, Epicor inspires customers to build lasting competitive advantage. Epicor provides the single point of accountability that local, regional, and global businesses demand. For more information, visit www.epicor.com.



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