

Taking Control: Integrated ERP Solution Helps Automotive Supplier Cut Costs, Improve Productivity



At a Glance:

- An integrated ERP solution helped an automotive supplier improve monthly material cost discrepancies by more than 92 percent.
- The system reduces the inventory tracking process from six days per month to just a few hours.
- Line-side labels are automatically generated at the production work centers, which has helped improve OEM label accuracy by more than 95 percent.
- The supplier achieved a 78 percent improvement of delivery performance in less than a year.
- Data flows seamlessly from purchasing and receiving to production, giving the company real-time visibility and better control of their entire enterprise.

[PLEX.COM](https://www.plex.com) | 855.534.8012

About Kamco Industries

Kamco Industries, Inc., is an injection molder that supplies the automotive industry with interior, underbody, and exterior components. Kamco's parent company is Kumi Kasei Co., Ltd., headquartered in Tokyo, Japan.

More than 95 percent of the company's operations serve tier I and II suppliers to a major global automotive OEM. Kamco offers customers innovative processes including in-line fabric molding, in which fabric is molded at the same time that the plastic is melted into the mold, suitable for interior components. The company also operates an in-line thermoforming sheet extrusion line for products such as trunk liners. It also offers custom assembly services.

Past Challenges

In past years, Kamco maintained a variety of stand-alone IT solutions and spreadsheets to manage business and production operations such as quality management, Electronic Data Interchange (EDI), product labeling, employee time tracking, inventory control, and other mission-critical functions.

“We received a Superior Delivery Performance Award from our major OEM customer one year after implementing Plex.”

None of the separate systems interfaced with the others efficiently, and it was a challenge to maintain and support the patchwork of IT solutions— many of which necessitated manual processing or double data entry with spreadsheets and databases.

[PLEX.COM](https://plex.com) | 855.534.8012

Manual Inventory Methods

According to Tony Brown, Manager, Computer Services Group at Kamco, the biggest challenge was inventory control. “Essentially, we lost visibility of tracking costly raw materials. We could not easily ascertain where or when materials were consumed in our production operations.”

Kamco purchases plastic resins received in 1500-lb. gaylords, 50-lb. bags, and large silos. The resin is used in finished good production for various finished good and work-in-progress parts. Components such as clips, screws, foam pads, and other pieces are also purchased and inventoried.

Kamco did not perform serialized inventory of the gaylords and/or boxes of components upon receiving. They manually recorded which materials were brought to the presses and listed the jobs where the materials were used. At the end of each month, the staff then conducted a time-consuming physical-tagged inventory.

Manually tracking daily inventory and end-of-month data entry took nearly six days per month, with occasional overtime. As with any manual method, there was the potential to introduce error.

These manual inventory management methods led to significant material cost discrepancies. Notes Brown, “At any one time, Kamco can house over \$1 million in inventory. It was a burden to track the volume of raw materials consumed, and even more challenging considering at the end of every month we sometimes had 20 percent discrepancies of unaccounted inventory.”



[PLEX.COM](https://plex.com) | 855.534.8012

Production Inefficiencies

Kamco faced other challenges related to effectively scheduling presses and workcenters. As an example, full-time associates maintained manual spreadsheets to generate daily production schedules using a stand-alone OEM database and double data entry for the EDI system. It was time-consuming to manage production plans at the workcenters and efficiently schedule presses.

The supplier was susceptible to machine downtime due to last-minute mold or tool changes, plus they experienced inaccurate work-in-progress tracking.

An Integrated Solution

To address these challenges, and to standardize ERP and business processes, Kamco teamed with Plex Systems and implemented ERP from the Plex Manufacturing Cloud, the only cloud ERP system with manufacturing at its core.

The goal was to increase efficiency and standardize operations with a single ERP system that answered the needs of production, inventory, shipping, quality, accounting, and HR functions.

“Plex Cloud ERP helps standardize business functions across multiple North American facilities.”

Standardizing Processes

The implementation included the following Plex functions:

- Production Control Panel implementation on 85 workcenters
- Accounting
- Purchasing/Receiving – Inventory Raw Materials
- Shipping/EDI - Production Control with line-side labeling and consumption of raw material
- Core Quality (control plans and checksheets)
- Employee Time and Attendance
- Workflow function for electronic document approval

[PLEX.COM](https://www.plex.com) | [855.534.8012](tel:855.534.8012)

According to Kamco, Plex Cloud ERP was flexible enough to be configured to match how the North American facilities manage their operations, and the implementation made Kamco look at different ways to do business — which in turn improved business processes. The cloud ERP solution is especially beneficial in standardizing business functions across the multiple North American facilities.

Because Plex is housed on centralized servers in Auburn Hills, Michigan, Kamco's systems department no longer supports and maintains the patchwork of stand-alone systems. Brown adds, "The fully integrated system reduces overhead costs of third-party software vendors and their annual support contracts. Since Plex is hosted on the Internet, it actually has reduced downtime on the production floor. Since we no longer require a server for our ERP system nor software upgrades, licensing fees, maintenance, hardware upgrades, and other server related support, we as an Information Systems group, avoid these types of issues."

Improved Inventory Control

One of the greatest benefits achieved with Plex Cloud ERP was reducing the amount of time required for manual inventory management from six days to only a few hours per month. Inventory data flows seamlessly from purchasing and receiving to the shop floor, giving Kamco real-time visibility via an easy-to-use interface. This saves the company costly labor and overtime, and frees up production staff for more valuable tasks.

Cost, Productivity Improvements

Kamco achieved cost improvements due to the stable, lower inventory level of raw material and finished goods, along with improved visibility of consumption on the shop floor. In fact, Kamco improved their monthly material cost discrepancies by more than 92 percent. Month-end closing is now accurate, automated, and efficient.

[PLEX.COM](https://plex.com) | 855.534.8012

Plex job requirement planning and workcenter production reporting reduce downtime due to mold or tool changes, and provide more accurate work-in-progress metrics.

There is no longer a need for full-time data entry clerks or label printing associates since real-time data such as Production Reporting and Inventory seamlessly integrates with customer shipping EDI requirements and other enterprise planning methods.

Line-side labels are automatically generated at the production workcenters, which has helped the Kamco team improve label accuracy by more than 95 percent. Kamco achieved a 78 percent improvement of delivery performance in less than a year. As a result, the company received a Superior Delivery Performance Award after just one year of full implementation of the system. Concludes Brown, “The automated operations now possible with Plex improve every part of our operations.”

[PLEX.COM](https://plex.com) | [855.534.8012](tel:855.534.8012)

About Plex

Plex is the Manufacturing Cloud, delivering industry-leading ERP and manufacturing automation to nearly 400 companies across industries including aerospace and defense, food and beverage and motor vehicles. Plex pioneered Cloud solutions for the plant floor, connecting suppliers, machines, people, systems and customers with capabilities that are easy to configure, deliver continuous innovation, and reduce IT costs. With insight that starts on the production line, Plex helps companies see and understand every aspect of their business ecosystem, enabling them to lead in an ever-changing market.