CASE STUDY

DOW-KEY MICROWAVE

Dow-Key Microwave saves $1 million with Made2Manage ERP
CHALLENGE: LOTS OF DATA, LITTLE INFORMATION

Dow-Key Microwave Corporation (Dow-Key) is the world’s largest manufacturer of electromechanical switches for radio frequency (RF) and microwave applications. Founded in 1945, it is the oldest continuously operating RF/microwave switch manufacturer in the United States, and is an operating company within Ceramic & Microwave Products, a subsidiary of multi-billion dollar Dover Corp.
Dow-Key implemented Made2Manage ERP in 1996 but, for one reason or another, the company failed to take advantage of the full functionality within the system, and subsequently did not see much benefit from the investment. Flash forward to 2010, when the newly hired General Manager and Director of Information Technologies looked at the state of information management within the company and found a proliferation of spreadsheets, databases and sticky notes as a result of lack of confidence in the ERP system.

Employees would come to meetings, each with his own spreadsheet, and spend the meeting time trying to decide whose information was correct. Reporting requirements and audits by government customers and the imperatives of the Sarbanes-Oxley Act compliance placed additional burdens on a company awash in often conflicting data but starved for real, reliable information.

**SOLUTION: BACK TO SQUARE ONE**

After evaluating a project to replace its existing Made2Manage ERP system, the company decided that the one they already had was a better fit than the alternatives available and could be revived to deliver the results the company needed. “We looked at other ERP systems and found that none did anything more than the one we already had,” said Dow-Key Director of Information Technologies Bill Frederick. “Made2Manage ERP fit us better; we just needed to use it for what it was designed to do. Changing to another system would have cost over $1 million to get us to where we are today with Made2Manage ERP.”

The key to success for Dow-Key was to address its ‘chicken-versus-the-egg’ dilemma: People didn’t trust the system because the data was not reliable, but the data wasn’t reliable because the proper effort wasn’t being put into improving the data. The end result was that no one was benefiting from the system. The answer was to work with users to improve the input, and then help them build trust in the resulting information. At some point, trust was built, and the spreadsheets and separate databases began to disappear. Now, Made2Manage ERP is the Dow-Key system of record, and employees no longer waste valuable time trying to figure out what information is correct. There is one source of information—everyone contributes and everyone benefits.

“**It’s amazing to look at all the functionality and corresponding benefits in the Made2Manage ERP system that we simply didn’t use before.**”

**Bill Frederick**
Director of Information Technologies, Dow-Key Microwave

**RESULTS: HAPPY CUSTOMERS, HAPPY USERS**

A high level of confidence in the system has been the key to better customer service, new efficiencies and more effective management. In past customer-required audits, inspectors often found 10 or more violations that had to be corrected to comply with contract requirements. The latest audit yielded a clean bill of health—no violations. “We have control all the way from top to bottom,” Frederick declared. “It’s amazing to look at all the functionality and corresponding benefits in the Made2Manage ERP system that we simply didn’t use before.”

There have been efficiencies and labor savings—more than 50 labor hours a month—but Dow-Key does not focus exclusively on those. The process and control improvements provide the biggest benefit. “We lost one person in the quality department, so we were short-handed,” explains Frederick. “Rather than hire a replacement, we have been able to use the [Quality for Apteon by uniPoint] integration’s capabilities to fill the gap by making the remaining users more effective and productive.”

Dover Corp., Dow-Key’s parent company, recently imposed mandatory cost-reduction goals on all companies throughout the organization. Dow-Key didn’t sweat it since it was already ahead of those goals and continuing to see improvements. The result of one cost-reduction kaizen event was a complete revamping of the payroll processing process. “We were manually recording and collecting time cards, entering them for processing, and then entering them again into Made2Manage ERP. Streamlining that process saved about 160 hours every month and eliminated sources of error at the same time,” Frederick said.
These improvements add up to more than the yearly cost-reduction goals set by Dover, and have yet to include the benefits seen with the addition of Made2Manage Shop Floor Manager (SFM), Aptean’s shop floor execution system. “We’re already seeing an increase in efficiency from using SFM as well as labor reporting improvements,” Frederick added. Dow-Key’s use of SFM also contributes to Dover’s “green” corporate goals, as Dow-Key is able to eliminate a lot of excess paperwork in the office because SFM eliminates the need for job order travelers and material pick lists.

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