

CASE STUDY

TEK PAK, INC.

Taking Ownership at Tek Pak with the Help of Made2Manage Shop Floor Manager





CUSTOMER DETAILS

Serves electronics, healthcare, consumer industries

Custom thermoforming, prototyping and tooling

Product development

Founded in 1992

78 employees

INDUSTRY

Plastics

APTEAN SOLUTION

Made2Manage

CHALLENGES

- Bar code system was not interactive and provided no feedback.
- Errors, missing and incomplete transactions were common.
- Because the reporting was not reliable, information from the system was suspect.
- Data updates were a day behind, making system information of no real value.
- Inventory accuracy and visibility were lacking.

BENEFITS

- 80 percent reduction in labor-tracking errors with the use of Made2Manage Shop Floor Manager.
- Timely and accurate shop floor data resulting in enhanced visibility and control.
- 75 percent more accurate inventory records, with lot control, equating to fewer shortages, reduced inventory and increased traceability.
- Better costing data to support strategic decisions that improved, and continue to improve, gross margin.

CHALLENGE: UNRELIABLE DATA EQUALS FRUSTRATION, COMPLACENCY

A user of Made2Manage ERP since 1998, Tek Pak, Inc. (Tek Pak)—a manufacturer of packaging for the electronics industry and more—used bar code data collection for shop floor reporting and inventory but struggled with errors, missing and

incomplete transactions, and a general disinterest among the workforce. “Because the bar code system was not interactive and provided no feedback, workers didn’t know if the transactions were correct or complete, and grew complacent as a result,” said Tek Pak Human Resources Manager Renee Carter. “I was forced to spend time every day trying to correct two to three pages of transaction errors.”

And because the reporting was not reliable, information from the system was suspect. “There was little confidence in the data,” said Dr. Scott Carter, Vice President for Research & Development. “A lot of our production involves parallel activities that make reporting more complicated, so it was particularly challenging. Because the data was not corrected on a timely basis, it often took a day or more to get everything correct and by then, it was a day behind. System information was of no real value.”

In addition, material usage was logged only once per week by supervisors based on hand-written notes from operators, so material issues went generally unnoticed until it was too late. Needless to say, inventory accuracy and visibility were lacking. The Tek Pak team realized it was asking too much from the bar code system and set out to find a solution that would provide more interactive and accurate reporting that would ease the burden on both production and administration.

SOLUTION: MADE2MANAGE SHOP FLOOR MANAGER

Tek Pak sought to implement Made2Manage Shop Floor Manager (SFM), a shop floor execution system designed to complement Made2Manage, due to its interactive interface for the production floor and the fact that it allowed visibility into the current status of a job without having to constantly generate reports. Tek Pak set up SFM workstations on the plant floor for employees to clock on and off of jobs as well as enter material usage directly so that it was applied to the correct job. In addition, the SFM displays gave work station users access to corresponding job documents, such as drawings and work instructions, right at their fingertips.

“The addition of Made2Manage Shop Floor Manager provided the accurate performance data we needed, and has improved the feedback necessary for continual improvement with our gross margins.”

Gail Hernly
Controller,
Tek Pak, Inc.

Overall, Tek Pak’s SFM system roll-out went very smoothly in areas where the bar code system was being used correctly, and much better in areas where the bar code was lacking. The system was accepted as easier to use than the bar code system and users were able to clearly see direct benefits. “The most important change was that the employees took ownership of the data,” according to Renee Carter. “They had a much better understanding of what they were doing and they could see the results—better information coming back to them from the system. That, in turn, motivated them to continue entering the data correctly.”

RESULTS: ORDER OUT OF CHAOS

The immediate result of Tek Pak’s SFM implementation was an 80 percent improvement in labor reporting, along with equivalent improvements in time and inventory count accuracy. “Inventory accuracy is at least 75 percent better,” said Controller Gail Hernly, “and, we are able to maintain accurate and timely lot control, which was almost impossible with the delayed manual reporting we were previously doing.” Hernly went on to say that component shortages were relatively commonplace before, but are rare now that inventory records are under control.

Supervisors now have access to real-time, accurate status and location information on every job out on the floor—at a glance. There have also been big improvements in job costing as well. “Information was severely lacking on the job-cost side,” Hernly said. “But with new access to accurate costs, especially for labor, we are now better able to track costs and margins by product and by customer. That has allowed us to better identify opportunities and understand how we compete and where we can do better.”

One of the main objectives achieved with SFM was to better align the business with the strategic plan, and accurately measure and improve performance. “The addition of Made2Manage Shop Floor Manager provided the accurate performance data we needed, and has improved the feedback necessary for continual improvement with our gross margins,” Hernly said.



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