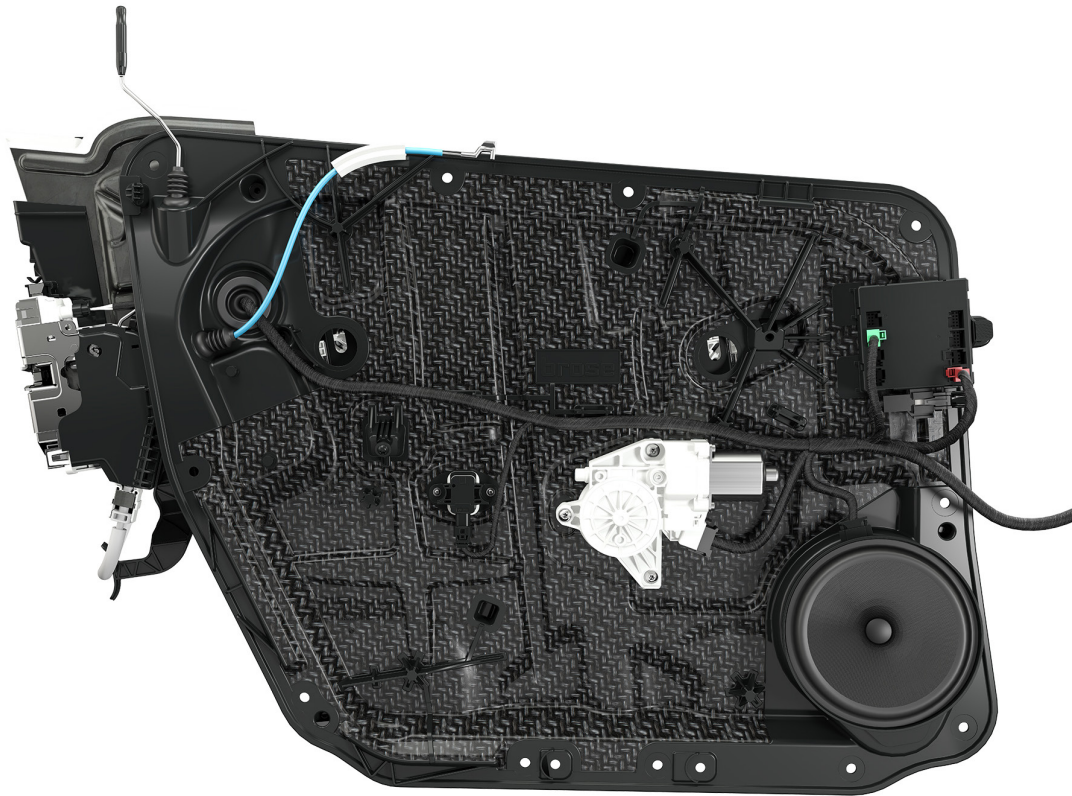




CUSTOMER CASE STUDY

BROSE THAILAND



“Upgrading to Enterprise Edition (EE) has given us better control of our operation.”

Denis Reul, Managing Director, Brose Thailand Co. Ltd.





BROSE THAILAND

BROSE THAILAND BECOMES A MORE EFFECTIVE ENTERPRISE WITH AN ERP UPGRADE AS IT PREPARES FOR SIGNIFICANT GROWTH

HIGHLIGHTS	
Company	Brose Thailand, Co. Ltd
Headquarters	Rayong, Thailand
Industry	Automotive
Products	Door Systems and Window Regulators
Solutions Utilized	QAD Enterprise Applications Enterprise Edition (EE) Master Planning and Scheduling Workbench (MSW/PSW)



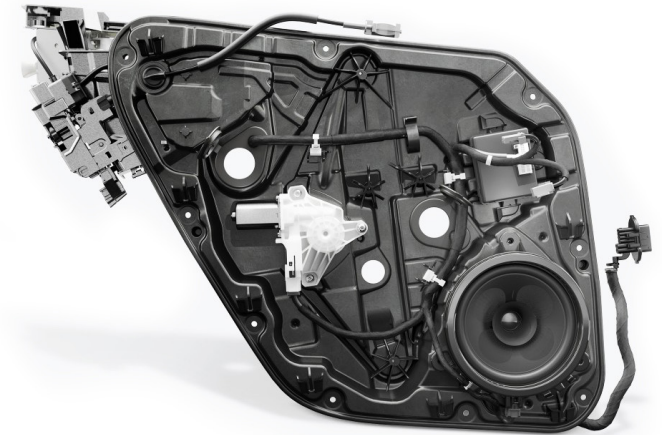
THE COMPANY: BROSE

Brose is the world’s fifth-largest family-owned, and a top 50 largest overall automotive supplier. The company develops and produces mechatronic systems for vehicle doors and seats as well as electric motors, drives and electronics, among others for steering, brakes, transmissions and engine cooling. More than 25,000 employees at 60 locations in 23 countries generate turnover of €6.1 billion. Half of all vehicles produced worldwide is equipped with at least one Brose product.

Brose Thailand Co., Ltd., as a wholly owned subsidiary, produces window regulators and door modules for customers such as Ford and Mercedes-Benz, in both the domestic market as well as exports. The company, founded in 2010, started production in 2011 and has undergone significant growth over the past years. The future outlook is very positive as new customers and the product portfolio extension have been confirmed.

THE CHALLENGE: BECOMING A MORE EFFECTIVE ENTERPRISE AND PREPARING FOR GROWTH WITH THE ADDITION OF A NEW MAJOR OEM

As part of their overall strategic plan, Brose Thailand set a goal to increase revenue significantly in the coming year. In order to master the growth and increasing complexity, Brose Thailand wanted to



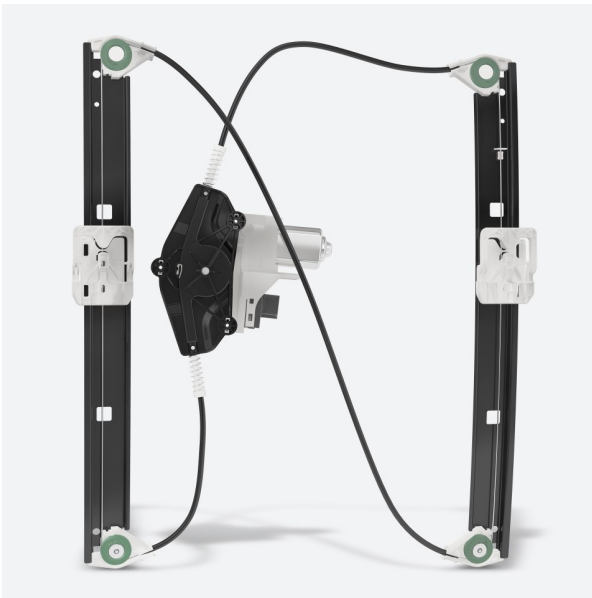
take on a substantial overhaul of its ERP system, introducing Industry 4.0 processes with integrated check points and a digital visualization concept to help monitor the performance of the organization.

With several contracts in place and a new production line planned, they recognized that they were not fully utilizing the capabilities of their ERP system in order to reach this goal. Some of the challenges they were facing included:

- Excess inventory costs
- Manual processes which increased the possibilities of errors in the data needed to make crucial business decisions

- Trouble utilizing and analyzing data from the system to verify work
- High premium freight cost due to lack of inventory control and material planning
- Lack of real time visibility on the shop floor
- Missing transparency of material movement and in-accuracy of inventory resulted in high premium freight cost

“We wanted to use our ERP system more effectively in all areas, and we wanted to have a ‘closed loop’ system with material moving physically through the plant and within the system at the same time — with no more system entries done by hand,” commented Denis Reul, managing director, Brose Thailand Co. Ltd. “Without an upgrade we couldn’t develop that closed loop system. When our QAD consultant gave us a presentation on the capabilities of QAD Enterprise Edition, the choice to upgrade was very simple.”



THE SOLUTION: UPGRADE TO QAD ENTERPRISE EDITION (EE) ADDS CAPABILITIES, CUTS COSTS AND INCREASES EFFICIENCIES

To determine how the upgrade to QAD Enterprise Edition (EE) could be done to maximize the Thailand plant’s effectiveness, QAD consultants identified the plant’s strengths and weaknesses by performing a Q-Scan.

A Q-Scan is a diagnostic and prescriptive consultation performed by QAD experts focused on a specific area of a customer’s business. QAD Process Q-Scans provide recommendations on how to better align to company business needs along industry best practices.

Through the Q-Scan process, the QAD team identified that the existing ERP system was not being fully used, with areas that could have accomplished the effective and timely sharing of information being done manually causing silos and slow communication. They also determined that customer demand was not being utilized properly in the planning process causing additional freight cost for materials and low production line utilization. Another concern was the fact that management had no simple reports for making decisions in a timely manner.

Armed with the results of the Q-Scan, Brose Thailand decided to move forward with the upgrade and scheduled it to cause minimal to no disruptions in production. QAD Master Planning and Scheduling Workbenches (MSW/PSW) were incorporated and previously manual functions were brought directly into the system. QAD MSW/PSW provides planners and schedulers with simultaneous visibility to plans, schedules and all supporting data and enables

INCREASE TO 100%
STOCK ACCURACY

control and collaboration across the production and materials planning space.

Some of the previously manual functions incorporated into the newly upgraded system include:

- Customer Demand Planning
- Strategic Planning
- Production
- Shipping
- Inventory Control
- Finance

“The upgrade took about 18 months as we worked around daily production with no disruptions,” continues Reul. “The upgrade process and training has ensured that management has a full understanding of what the system can do for them and how to accomplish it.”

THE BENEFITS: REDUCED SHIPPING COSTS, LESS INVENTORY OVERAGES, BETTER PLANNING, NOW SET FOR THE FUTURE

“The upgrade to EE has been very successful for the Thailand plant,” comments Reul. “One of the greatest benefits we expect is the avoidance of premium freight cost with the improvement of inventory accuracy and better control over material movement.”

Prior to the project, they had incidents due to a lack of validation going through the entire process, from receiving to warehousing, production and shipping. With the upgrade, they were able to add multiple check points which now allow their material planners enough time to react to any anomalies in the supply chain.

“We are also seeing many users of the upgraded system recognizing that their job is now more convenient and helps them avoid making mistakes as a result of manual entry,” states Reul.

Other benefits the Brose Thailand plant has seen with the upgrade to EE include:

- Closed loop production visualization system now in place
- Manual processes have been systematically eliminated, resulting in a significant increase of inventory accuracy and material flow

- Real-time visibility on the plant floor allows the capture of real-time information for more accurate shift planning

“We are now using 100 percent of our ERP system,” concludes Reul. “And — we are just at the beginning of seeing the benefits of this upgrade. I believe in the next year we will see a dramatic increase in inventory control and production and continued decreases in shipping costs.”

“By upgrading to QAD Enterprise Edition, we are now prepared for growth and continuous improvement.”

Denis Reul, Managing Director, Brose (Thailand) Co. Ltd

