



EXEL
COMPUTER SYSTEMS

Case Study



Facts at a glance

Customer Profile

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The Challenge

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The Benefits

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The Future

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Linecross

Linecross Limited

Linecross partners with Exel with a view to future growth



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From humble origins in 1968, Linecross has grown to become a full service supplier of innovative, high quality engineered polymer solutions. Working in a diverse range of international industries including automotive, transportation, off-highway, leisure and speciality markets, the £16m turnover company with 185 skilled personnel has come to be trusted by some of the world's leading quality brands. When its aging business management systems became a potential risk and constraint to future growth, the company looked for a modern, future-proof solution from a like-minded, long term business partner. Which is why Linecross invested in EFACS E/8 from Exel Computer Systems.

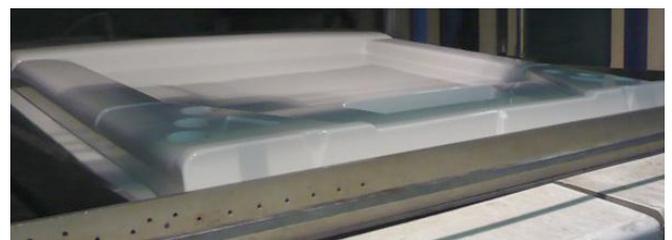
Linecross specialises in low volume manufacturing via vacuum thermoforming or polyurethane moulding. While both processes are relatively simple, the nature of the company's business is anything but and leads to a wide range of business challenges, as David Austin, Finance Director explains. "We produce approximately 60,000 saleable units a month across an average product range of 800 different parts. Order sizes range from 1 to 5 for after-sale items up to batches of 1,000 – and every product is unique. On top of this huge variety of products, the ordering process and delivery expectations of our customers add significantly to our challenges." And, as he repeats a number of times, the company mantra is "the customer's assembly line can never be allowed to stop."

Austin explains why even this does not begin to fully explain the difficulties that can arise in ensuring the company is making the right product, at the right time, for the right customer. "Take the example of our caravan customer – a 4 week schedule is fine except it doesn't provide us enough time to necessarily procure all the required materials and additional parts. We have to work instead from the customer's Indicative Build Plan which has a 4-5 month timescale." He continues, "Take the example of an automotive customer. The schedule may say 200 units but when the delivery lorry turns up, we find they actually want 400 for the next day which we then have to somehow make in time because we can't let the production line stop. Alternatively a customer may order 100 units for the following week, and then not collect them Monday, Tuesday, Wednesday or Thursday and then want to collect them all on Friday. We often have no way of knowing outside of a day by day basis."

Given that some finished products including tractor roof panels and front and rear end panels for caravans are bulky, this can create storage issues. The

requirement to ensure that certain materials are always in stock just in case a larger than expected confirmed order comes in also creates storage issues at a raw materials level. This is further compounded by certain raw materials either only being available at a certain time per month, in certain unit sizes or in varying unit sizes where the most economic batch quantity might not be the one required. And, as Austin points out, each order has its own unique tool that has been created for the customer but which also needs to be stored on site. "When you consider that many products have lengthy guarantee periods, these are tools we have to keep for many years in order to fulfil our after-sale commitments. All of this needs to be managed."

As mentioned, the actual manufacturing process is relatively straight forward and begins with the raw material either being vacuum formed in the company's 10 specialist machines or in the case of polyurethane products, moulded in one of 7 specialist presses. These cover a wide range of sizes and include some of the largest machines of their type in Europe with the vast majority of orders requiring a set piece of equipment. The part is then trimmed using the company's 12, 5-axis CNC machines or in the case of large panels, by hand. After trimming, each part is then checked on a bespoke gauge before moving on to any final assembly and/or finishing steps. From here it is packaged and prepared for collection according to customer requirements.



Austin reiterates that the company's biggest challenge stems from the sheer variety and number of different parts it manufactures, many of which may then require assembling to achieve the customer's final product. "Accurately knowing how much to make, and when, across such a wide range of products is a real challenge. When things can change on a daily basis, we have to be flexible to react to sudden changes as and when they arise, which of course has a knock-on effect on everything else that is either being manufactured or scheduled for production." He continues, "We also have real workflow challenges as a result of this. We need to balance setup and changeover times with the quantities of what we need

to produce, but again, when in some cases we only know 24 hours in advance what a final order quantity may be, this can be difficult. Clear communication is essential across the company – from customer service managers who may have had discussions with a customer in the morning, to production managers who may then need to act on that information later in the day, through to procurement and purchasing needing to know what needs to be bought and when.”

Prior to investing in EFACS E/8 from Exel, Linecross had relied on a bespoke DOS-based manufacturing system that was set up by someone within the company back in 1992 when its annual turnover was only £3m. This was entirely separate to the company’s Sage accounts system, the lack of integration being a source of frustration in and of itself. By the time Austin and his business partner had taken over the company in 2003, turnover had doubled to £6m and the employee responsible for the DOS-based system had just left.

Austin and his partner’s first priority was to begin turning around the company and by 2005 things had improved to the extent that they were now able to focus on replacing the company’s aging systems. “We recognised that our system represented a considerable risk in terms of no longer having any support. We also recognised that it was increasingly isolated and unable to communicate with the outside world and the way our customers wanted to do business. It was therefore becoming a constraint to growth so we began a search for a replacement.”

As with many companies, this involved a lot of reading and attending trade shows and seminars, which is where Austin first came into contact with Exel, at an EFACS Information Day in Leicester. Linecross had a very definite list of requirements that needed to be fulfilled, by both solution and provider. “Firstly we knew we wanted a fully integrated system where our accounts and manufacturing worked seamlessly together. Second it was essential that we had accurate Materials Requirement Planning (MRP) capabilities because accurate and timely purchasing is essential to our business. Thirdly, we wanted a solution that was future-proof, it had to be flexible and scalable so it could adapt as our company evolved and grew.”

The other key requirement for Linecross focussed more on the supplier and turned out to be the defining factor in the choice of Exel and EFACS E/8 as Austin explains. “We recognised from the outset that an investment of this nature involved making a long term

partnership/collaboration with a supplier, because once the system is in you are reliant on them if anything goes wrong. We didn’t want a system developed by a couple of guys in an office, nor did we want to deal with a large reseller of a US program developed in India. We wanted to work with a partner that shared our ethos, our approach and our passion for our business.”



He continues, “We quickly realised that most of the solutions we reviewed could probably do what we needed, which brought the focus onto the solution provider. It was obvious from the outset that Exel not only was a similar size to ourselves but also shared many of the same values. It was as passionate about its own products as we are to ours, understood our business and was committed to developing its products on a long term basis. The fact Exel is also just down the road also helped,” adds Austin, “because if anything ever did go seriously wrong, I could be down there right away until I got it resolved.”

The decision to invest in EFACS E/8 was therefore made in April 2006 with implementation commencing shortly afterward, beginning with Austin and his colleague undertaking a comprehensive training program at Exel to fully understand how EFACS E/8 worked. After this, they worked together with an Exel consultant onsite to refine the data Austin had exported from the DOS system, configure EFACS E/8 to match the company’s business processes and to develop the specific reports etc. that were required. “It was a genuine collaboration” remarks Austin, “and it had to be. There’s no way it would have worked if it was all down to us, or them. They clearly understood what we did and needed to do and worked with us to ensure that EFACS E/8 facilitated this.”

Testing and the checking of data integrity occurred against the original DOS data. As and when all were happy with the system, Austin would then involve other key personnel from different departments and explain how the system worked, and importantly, listen to any concerns and feedback. This was vital because not only were many people unfamiliar with a non-DOS



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environment, they also helped to point out areas that needed more work or that could be improved, thereby ensuring that all the subtle nuances regarding the unique way the company worked were reflected in the system.

Once this was complete, the system went live a matter of months later in October 2006. While there were no real problems with the system, Austin candidly reflects that the transition from the old to the new system did cause some short term difficulties. "Bearing in mind most people had 10 years' experience using the old system, when they actually came to use EFACS E/8 out of a training environment, there was a fair amount of having to keep explaining to people what they had to do, and when. This was only to be expected and within a few months people began to see the benefits coming through."

For Austin the first benefit was the MRP module's complete fulfilment of all of the company's needs and expectations. For the first time ever, the company knew what it needed to order, for which order, and when to order it by. Not only did it have visibility of lead times, it also had accurate information about what was and wasn't already available. Linecross also now had the benefit of being able to import on a weekly basis, directly into EFACS E/8, the anticipated schedule from a number of customers. Austin credits this alone with a time saving of several days per week.

Looking at a company level, Linecross finally had both accounting and manufacturing data contained within one system. Not only does this avoid considerable data duplication and the associated time involved in this, including the risk of data variance, it has massively cut down on the time previously spent having to reconcile invoices entered on one system and then actioned on another. "This has saved us days in time when it comes to the preparation of management accounts," enthuses Austin before continuing. "Because of the collaborative nature of working with Exel, they recognised that with my accountancy background and a little training, I could generate very accurate accounting information simply by means of applying SQL queries to the EFACS E/8 database. This combined with the ease of generating custom reports has added greatly to our visibility across the entire company."

The EFACS E/8 Quality Control System has also proved invaluable, especially in the company's dealings with its automotive industry customers. This is a powerful, fully integrated utility that allows Linecross

to analyse and manage all non-conformity issues. Combined with EFACS Workflow, the company can predefine a range of actions and the sequence in which they must be completed in the event of any product not conforming to the required quality level. Because this is fully traceable, it has helped Linecross achieve the TS16949 industry standard as well as reduce overall levels of non-conformity by helping to identify and address causal factors as and when they occur. Further cost and time saving benefits have also been achieved thanks to the EFACS E/8 Document Management system.

Recognising that EFACS E/8 has more benefits to deliver, the company is currently working with Exel to refine its Shop Floor Data Capture (SFDC) requirements. Already working successfully in a test environment, this will provide real time information not only about process start/stop times but also resource utilisation data and scrap levels, among others. Linecross is also looking to implement Key Performance Indicator (KPI) Business Intelligence (BI) dashboards which when combined with the SFDC data will allow video screens, mounted in the production area to show actual progress against the projected plan.

The last word belongs to Austin and he returns once again to the issues of partnership and growth. "We simply wouldn't have been able to grow without implementing EFACS E/8. Both the software and Exel as a supplier are sufficiently flexible to allow the system to be a usable tool wherever we have needed to use it. It's a long term investment and we have every confidence in its scalability and ability to continue to grow with us as our business grows. If we double in size, will EFACS E/8 be good for that? Without a doubt."

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