

Faltec Takes Inventory with Apriso for Operational Excellence

Faltec, a Japan-based auto parts manufacturer, serves a number of global OEM automakers with automotive exterior resin parts, such as radiator grills, bumpers, protector molds and door sashes, as well as aerodynamic parts, door visors, textile products and electrical components. As part of Faltec's growth strategy a few years ago, a search began to find a new inventory management system offering real-time visibility to production operations, parts, work in process (WIP) and contractor (vendor managed) inventories. Faltec needed a more scalable solution capable of implementation on a global basis in order to best support the company's operations in Japan and China, as well as their anticipated global expansion.

After a selection process that included an evaluation of seven different vendor proposals, Faltec chose Apriso's FlexNet to meet their inventory tracking and management needs. FlexNet went live in late 2009 at five Japanese plants; FlexNet became operational in 2011 at their new plant in Guangzhou, China.

Improved Operational Efficiency

Greater operational efficiency, as a direct result from greater visibility to inventory, was an important consideration of Faltec's Apriso implementation. By integrating their current Manufacturing Resource Planning / MRP system with Apriso's FlexNet, Faltec is pursuing improved manufacturing performance to plan. Better visibility can enable eventual reduction in safety stock levels for lower inventory costs. FlexNet is a powerful solution to support Faltec's Lean process improvements, to translate into a reduction of scrap during model changes due to less waste from inventory obsolescence.

The Lean Multiplier Effect

As Apriso's FlexNet is an enterprise standard solution leveraged by Faltec, the improved real-time visibility into inventory levels has been achieving across each of their five factories, rather than at a single, isolated plant. This effort is leading to greater Bill-of-materials (BOM) accuracy, production efficiency and awareness about control of defective goods in the fields. And, of course, greater accuracy across operations is expected to translate into improved reporting accuracy for customer orders, inventory tracking, resource allocations, OEE and productivity KPIs.



Sample Faltec Product: Roof Rails



Benefits Achieved

- Near real-time visibility achieved across six plants, enabling improved accuracy with inventory tracking
- Reduction of need for safety stock inventory levels, reducing inventory carry costs, scrap rates and obsolescence cost
- Integration to the enterprise planning systems has been streamlined, resulting in greater agility and responsiveness
- FlexNet is now a framework that contributes to Faltec's Lean and other Continuous Improvement programs

The Benefits of Greater Synchronization

In any manufacturing environment, careful and precise control of inventory and work in process (WIP) is mandatory in order to make certain the necessary parts are on hand to quickly and efficiently fill customers' orders. Implementing Apriso's FlexNet has improved visibility into contractor / vendor inventories, providing Faltec near real-time access to work in process. The system's seamless synchronization between production and inventory is being expected to further streamline production processes for greater efficiency and less waste.

"Faltec is now achieving more than simply greater inventory visibility with our Apriso solution – better synchronization across production, warehouse and inventory processes is accelerating operational throughput, contributing to further performance improvement," according to Faltec's Production Management Department.

Expanded Continuous Improvement and Lean Initiatives

Faltec expects their Apriso solution will bring innovative changes to business processes spanning production. This solution enables Faltec to unlock even greater benefits from Lean manufacturing and procurement activities by simplifying process improvement across a wider scope of operations. Process improvements can also impact production logistics, production performance and stock control, which had traditionally been the source of "man-hours-burden" on production field managers. By empowering Faltec's employees to be more creative when performing process improvement, efficiency can be improved across quality control processes and manpower initiatives.

Looking Forward

Apriso is the perfect partner for Faltec as the company looks to expand. When Faltec evaluates prospective growth opportunities, they can be confident their current manufacturing operations management system can easily support growth, rather than be a constraint. As new plants go live, contractors or vendors are easily pre-configured by leveraging their enterprise system as a Core solution for manufacturing operations management, better supporting the company's global expansion.

As Faltec continues to expand, a corporate mandate is to invest in the necessary systems to support that growth. Precise inventory control and accurate, timely financial management systems are essential components for best-in-class financial management. Apriso's seamless integration with Enterprise Resource Planning (ERP) and other enterprise systems helps to ensure that these financial reporting objectives will be achieved.

About Apriso

Apriso Corporation is a software company dedicated to helping manufacturers achieve and sustain operational excellence. Apriso serves nearly 200 customers in 40+ countries across the Americas, Europe, Asia and Africa. Learn more at <http://www.apriso.com>.

"Apriso's solution has considerable flexibility. It has made our business users feel more comfortable about changing processes. The system's ease of use is simplifying continuous process improvement, another benefit from implementing Apriso's FlexNet."

**Production Management
Department, Faltec**