

# A&K Finishing Manages Explosive Growth, Greater Efficiency with the Plex Manufacturing Cloud



## About the Company:

A&K Finishing provides the industry's best plastic paint solutions for the automotive, office furniture, electronics, and commercial industries. Established in 1990 as a privately owned, non-union shop, A&K Finishing uses the latest technology—including robotic painting and open spray booths—to maintain its reputation for lean manufacturing and just-in-time delivery. By focusing on being “First to Finish, with Quality,” A&K Finishing strives to deliver products with zero defects on time, every time.

## Business Challenges:

- Physical inventory counts were time-consuming and inaccurate.
- Managers were spending up to 85% of their time on data entry.
- Quality control problems often led to delays in production.
- Business processes were fragmented because departments couldn't easily share data.

## Solution Benefits:

- Managed \$500,000 of inventory with nearly 100% accuracy.
- Reduced scrap rate from nearly 3% to 1.5%.
- Managed revenue growth of more than 100% in one year.
- Eliminated data entry for managers.

A&K Finishing paints interior automotive components that are installed by some of the nation's largest automakers. In a typical workflow, A&K receives molded parts, decorates them, finishes them with paint, and then sends them to tier-1 auto suppliers, who will then provide them to automakers. Until recently, A&K Finishing kept track of this complex business in spreadsheets and a Great Plains accounting system. But the company knew it needed to move to a legitimate ERP system—and soon.

“Our management group had just met with ownership and laid out a five-year vision for the company,” said Scott Hankamp, Operations Manager, A&K Finishing. “At that point, we managers decided that if we kept doing things the way we'd always done them, we'd struggle. We needed an ERP system that would provide us with a systematic way of managing our growing business.”

Although A&K Finishing had always worked with on-premise software up to this point, Hankamp and his team were open to cloud-based solutions. They appreciated the fact that the cloud would give them access to business information from anywhere—and that cloud vendors regularly update their solutions without interruption to the business processes of their customers. They also anticipated that unifying the business on one cloud platform would ease the flow of information from one department to another.

“We had become far too comfortable with piecemeal processes,” Hankamp said. “For example, if someone was doing forecasting for materials, they'd have to get information from customer orders, enter it into a spreadsheet, and send it off to someone else who would then put it into their own spreadsheet. We knew we needed a user-friendly ERP that would let us share data across departments.”

## Engaging with an Enthusiastic Plex Community

During A&K Finishing's evaluation process, the Plex Manufacturing Cloud stood out. It's not just the system's functionality that appealed to Hankamp and his team—it was also Plex's vibrant, helpful customer community.

“When we were closing in on Plex as our system of choice, we got the opportunity to go onsite with a couple of Plex customers that were already live,” said Hankamp. “One company spent nearly an entire workday walking us through their system. There was nothing in it for them—they're not our vendor or customer. But they were so excited to share the system with us, and that spoke volumes to us about the kind of platform that Plex must be.”

A&K Finishing engaged Cumulus Consulting for implementation and benefited greatly from the partner's "train the trainer" approach.

"Everyone at Cumulus was extremely knowledgeable and friendly," Hankamp said. "Their unique approach to training enabled us to work closely with them over a nine-month period and build our own information. As a result, not only do our day-to-day users have a great understanding of Plex, but our managers are really comfortable with it, too."

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—Scott Hankamp, Operations Manager

## Moving from Manual Data Entry to Digitization

One of A&K Finishing's first tests for its Plex system was in handling paint depletion. Over the years, the company had gradually come up with formulas for calculating the paint depletion that results from painting each of its most common automotive parts. Hankamp had long relied on handwritten notes and a spreadsheet to perform these calculations, entering in information about pieces per gallon and BOM components involved. The spreadsheet provided highly accurate results but required a lot of data entry work.

"The results in Plex were highly accurate," said Matt Kamradt, Production Manager, A&K Finishing. "The system depletes our paint levels based on the BOMs that we put into the system, which is impressive considering that the process involves a paint, a solvent, and four or five additives. At the end of a run, if the amount of paint we used doesn't match the original estimate—and it never does—Plex can automatically adjust the numbers to the nearest tenth of a gallon to keep our numbers accurate."

## Achieving Nearly 100% Inventory Accuracy

Throughout A&K Finishing's business processes, the Plex Manufacturing Cloud® gives decision-makers instant access to real-time information. As a result, they're spending less time punching in data that has already been entered elsewhere and more time planning the course of the business.

"Back when we were talking about implementing Plex, our owner asked us to break down how we were spending our time," said Hankamp. "He was shocked when I told him that I spent 85 percent of my time doing data entry—he probably figured I was spending 60 to 70 percent of my time on the shop floor. Nowadays, I spend about 30 percent of my time driving continuous improvements for us in Plex, but those are all value-added activities—and I've eliminated all the data entry I used to do."

Before implementing Plex, A&K Finishing used to have to perform physical inventory counts each month. Today's, there's no need.

"From an accounting standpoint, we would always have to question whether our physical inventory counts were done correctly, and whether the numbers would add up," said Tina McMillian, Inventory Manager. "When we went live with Plex on January 1, 2017, we had done a physical inventory that prior week and counted everything in the facility. We didn't do another inventory until October of that year. At that point, across half a million dollars' worth of inventory, we were off by \$900—and \$500 of that was a non-BOM depletion that just wasn't getting recorded right in the system. Compare that to the thousands of dollars per month we used to be off when we hand-counted inventory."

## Delivering Higher Quality with Real-Time Data

Managers and support staff across A&K Finishing appreciate having instant access to the Plex Manufacturing Cloud. Operators on the shop floor use a single sign-in to record production data. The company now runs a virtually paperless shop floor—and on each production line, workers use computer terminals to scan products.

Having information at the fingertips helps everyone on the A&K Finishing team focus on enhancing product quality and providing better customer service. When a customer calls in with a question, support staff can easily get status information to provide an update or drill down to a specific problem. And Plex helps the company enforce its own product quality standards.

“With paint work, there’s no substitute for visual inspection of product quality,” Katie Wettlaufer, Quality Manager said. “We can’t automate that in Plex. But we did put all of our quality criteria and check sheets in the system, which helps us ensure that these standards are being enforced consistently across all our production lines.”

When someone on the product quality team does recognize a problem with a product, the Plex Manufacturing Cloud makes it easier for them to follow the right protocols. Operators can simply change the status for the control panel for that production line. An alert will then automatically go to a technician who can take prompt corrective action. This greater discipline has contributed to a reduction in scrap rates.

“With Plex, our quality control staff can finally focus on inspecting products and keeping our quality high, rather than doing paperwork and finding the right technician to help them with a machine,” said Hankamp. “That’s a big part of the reason our scrap rate has gone from nearly 3 percent to 1.5 percent.”

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Whether you’re a \$1 million, \$10 million, or \$100 million company, Plex provides the structure and discipline you need to support your business and grow in a controlled manner.

—Scott Hankamp, Operations Manager

## Managing 100% Revenue Growth in One Year

The Plex Manufacturing Cloud does more than enable A&K Finishing to maintain tighter control over its business processes and keep a close eye on product quality. The system also helps the company make a convincing impression on its customers.

“Customer perception is important to us, and Plex helps us to show our best face,” said Kamradt. “Every time we have a customer come in and visit us, they’re envious of the system we’re using because it shows them just how organized we are as a company.”

Like most smaller manufacturers, A&K Finishing hopes to keep growing. The Plex Manufacturing Cloud has already helped the company manage its growth in a sustainable, profitable fashion.

“Whether you’re a \$1 million, \$10 million, or \$100 million company, Plex provides the structure and discipline you need to support your business and grow in a controlled manner,” Hankamp said. “We were \$4 million to \$5 million in sales pre-Plex. In the year we went live, we ended at about \$11.5 million—so we experienced over 100% growth that year. That growth wouldn’t have been nearly as manageable if we hadn’t put Plex in place first.”

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—Matt Kamradt, Production Manager

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### About Plex Systems

Plex Systems, Inc.<sup>®</sup> delivers industry-leading ERP, MES, and Industrial IoT solutions to manufacturers across process and discrete industries. Plex pioneered cloud solutions for the production line, connecting suppliers, machines, people, systems, data, and customers with capabilities that are easy to configure, deliver continuous innovation, and reduce IT costs. With insight from the shop floor to the top floor<sup>®</sup>, the Plex Manufacturing Cloud<sup>®</sup> helps companies see and understand every aspect of their business ecosystems, enabling them to transform their businesses and lead with precision, efficiency, and agility in an ever-changing market. Learn more at [www.plex.com](http://www.plex.com).

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