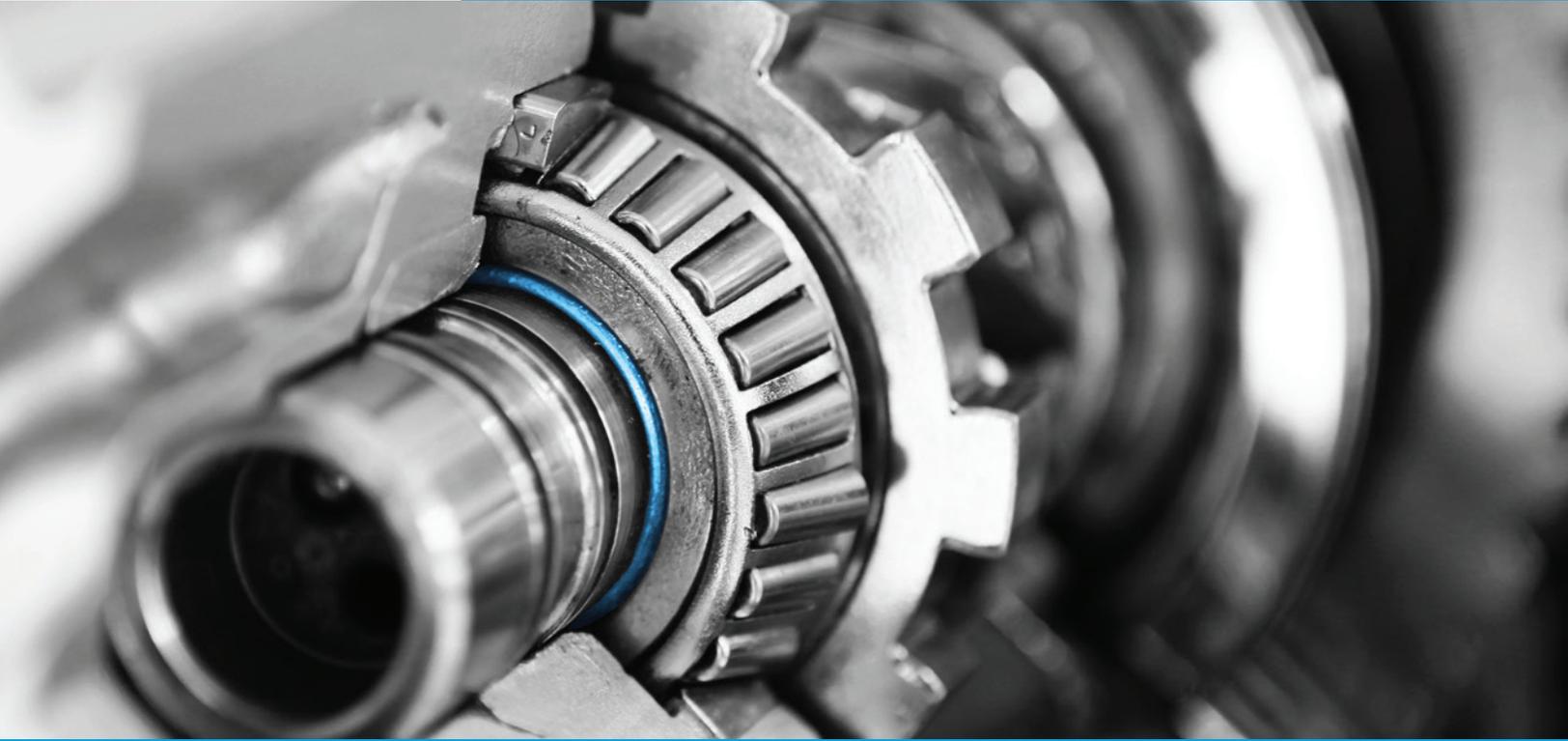# Manufacturer Achieves 20 Percent Annual Growth, Improves Inventory Accuracy

At a Glance:

- Manufacturer improves production processes and maintains annual growth of 20 percent.

- Company's inventory count is improved more than threefold with better tracking and inventory management functions.

- Easy access to real-time data reduces the time to prepare shipping reports.

- Plex replaced Monitor ERP system.

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About Avon Machining

Headquartered in Shelby Township, Michigan, Avon Machining manufactures precision-machined components and subassemblies for heavy industrial equipment manufacturers. Since its beginnings in 1974, the company has experienced steady growth. In the last 10 years, the company saw an average annual growth rate of 20 percent, particularly impressive given the economic downturn in the manufacturing industry.

In an ongoing effort to make processes and operations more efficient, Avon Machining decided to implement an enterprise resource planning (ERP) system, called MONITOR ERP System, to integrate data from several disparate sources.

Before deploying the ERP system, all of Avon Machining's departments, including engineering, production, quality and accounting, had their own Access databases and Excel spreadsheets. The databases were not integrated with each other, which made tracking, retrieving and communicating critical data very difficult and time-consuming.

Avon Machining's initial ERP solution did not effectively integrate information or make it easily accessible. Only a handful of people in the company could make changes and look up real-time inventory information. This contributed to errors in data entry, tracking and status reporting.

The company needed a solution that could seamlessly integrate across the enterprise and provide easier access to real-time information. After reviewing and testing several options, they decided to implement ERP from the Plex Manufacturing Cloud. Avon Machining made this choice based on the solution's ability to meet its requirements, its reputation in the industry and its ability to connect and manage all areas of the manufacturing operations.

> "Plex is the most versatile solution to use in a manufacturing environment."

"Plex is the most versatile solution to use in a manufacturing environment," said Matt Korth, President at Avon Machining. "It helps us stay organized and suits our growing needs."

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Better Visibility Enables Efficient Cost Management

Comprehensive, accurate and timely information is needed for efficient management of costs and resources. At Avon Machining, the previous ERP solution couldn't generate detailed data such as the cost, production time and quantity of parts produced in each of the various workcenters on the shop floor.

Plex Cloud ERP tracks and records all physical events such as production, inventory status changes, receiving, subcontracting, shipping, and other data on the shop floor. This ability to generate in-depth information in real time has made tracking activities and costs easy.

"We run the costing function to get the cost associated with each part and each activity. We know where and how to utilize our resources efficiently and are able to make better business decisions."

Tracking Production in Real Time

Employees are able to log in individually at their workcenters and record production details in real time. For example, if an employee makes five parts in one hour, he or she logs that detail at the end of the hour. Before Plex, they recorded total production at the end of the day. There was no way to know the number of parts produced per hour, number of discrepant parts, number of parts that were reworked or related production costs.

In addition to tracking, employees are now able to identify and label defective parts earlier and send them for correction before they move farther along the manufacturing process. "This enables our employees to better focus on daily production, saving time and reducing errors," explained Korth.

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Shop floor managers now have the tools to better calculate costs by retrieving important information such as:

- The quantity of parts produced.

- Production time for each part.

- Time for total production.

- Quality of the produced parts.

- Number of parts with issues.

- Time spent by the operator and the associated cost.

"Such drill-down data helps us from a cost standpoint," said Korth. "We run the costing function to get the cost associated with each part and each activity. We know where and how to utilize our resources efficiently and are able to make better business decisions."

Company Saves Time with Better Tracking and Real-Time Information

Avon Machining outsources some production parts to smaller local companies. Previously, if there was an issue with a part sent by the supplier, tracking the part to the supplier for rework purposes was a time-consuming chore. It was challenging to know the status of the rework without a great deal of effort.

"Without Plex, we wouldn't have been able to handle the company's impressive growth."

The Plex Rejection Tracking functionality now allows employees to identify parts that need rework in just two simple steps. Based on the serial numbers, employees are able to identify defective parts, flag them and send them for rework.

Avon Machining prepared shipping reports manually prior to using Plex. It took

about two and a half hours to prepare and modify a shipping report. It involved printing the customer release and manually checking the status, the physical location and quantity of the requested part. Now, all required data is readily available in real time, reducing reporting time to just half an hour.

"One of our goals is to have our raw materials suppliers use Plex," said Korth. "Parts will then be entered into our system before they even ship to us. They will be scheduled and ready to move to the workcenter as soon as they come in the door."

Conclusion

Avon Machining has connected all functions of its operation seamlessly with the implementation of Plex Cloud ERP. Its ease of use and the access it provides to real-time operational intelligence have empowered employees to be more efficient.

Overall, accuracy and production processes have improved across the company. With the previous system the inventory count was off by an average of seven percent. With better tracking and inventory management functions, it is now only off by two percent. The availability of real-time data enhances the reporting and forecasting capabilities of managers. On the shop floor, the production status screen at each workcenter is automatically updated every three minutes, allowing the foreman to check the status and catch any issues in a timely manner.

"We have accurate data, such as inventory numbers and the production percentage of parts at our fingertips at all times," explained Korth. "Plex allows us to track production numbers, costs and capacity easily and quickly."

"Honestly, we would not be where we are without Plex," explains Korth. Avon Machining has experienced an average of 20 percent growth in the last 10 years. Even during the economic downturn, the company maintained a steady growth.

"Plex allowed us to manage operations efficiently with the minimum resources

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required," Korth continued. "Without Plex, we wouldn't have been able to handle the company's impressive growth."

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About Plex

Plex is the Manufacturing Cloud, delivering industry-leading ERP and manufacturing automation to more than 550 companies across process and discrete industries. Plex pioneered cloud solutions for the shop floor, connecting suppliers, machines, people, systems, and customers with capabilities that are easy to configure, deliver continuous innovation, and reduce IT costs. With insight that starts on the production line, Plex helps companies see and understand every aspect of their business ecosystems, enabling them to lead in ever-changing markets. Learn more at www.plex.com.