



Fluid Routing Solutions Trims IT Costs, Improves Quality and Supply Chain Management



At a Glance:

- Automotive and industrial manufacturer reduces ERP-related operating costs by 30 percent.
- Company selected Plex Cloud ERP over QAD because Plex requires little IT support or upfront investment.
- Fluid Routing Solutions (FRS) meets aggressive six-month deadline to migrate to new system following ownership change.
- Improved supply chain visibility leads to speedier problem resolution and improves overall quality.
- Internal activities that used to take days are now completed in minutes.

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Manufacturers must meet customer requirements, minimize costs and achieve quality goals, and do all of this with increasingly fewer resources. These pressures are intensified with changes in ownership and business status. Under such circumstances, manufacturers face unusually intense scrutiny and must meet ambitious expectations for productivity and profitability while simultaneously setting up new business processes — often within extremely short timeframes.

Automotive and industrial manufacturing supplier Fluid Routing Solutions is a case in point.

About Fluid Routing Solutions

Dramatic changes began for the manufacturer of industrial hose products and fuel filler and hydraulic fluid assemblies when it was purchased by a private equity firm. The ownership change brought with it a unique set of business challenges — not the least of which were the establishment of all-new IT functions and the purchase of its own ERP solution.

Under the conditions of its Transition Service Agreement, FRS was required to migrate its entire infrastructure and application environment away from a legacy AS400 system very quickly. Before it could make that change, however, the manufacturer needed to select and launch its own ERP solution.

The company immediately began the search for an ERP solution. Two industry-leading systems rose to the top of FRS's list: Plex Cloud ERP and QAD.

“We knew we'd be able to get through a launch quickly without a lot of up-front investment.”

Advantages in the Cloud

FRS selected Plex Cloud ERP as its new ERP solution. Plex Systems' implementation partner Plante Moran led the system launch, which was completed in six months. Management's focus in selecting an ERP system had been two-fold. In the short term, the company needed to bring in an affordable solution that could be launched very quickly with little disruption or internal resources.

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It also wanted a solution that would support all of its business functions and drive long-term benefits such as reduced operating costs, improved efficiency, and more disciplined business processes.

Increased Discipline

Plex Cloud ERP is much more than just an ERP solution. It combines the capabilities of ERP, manufacturing execution systems (MES), quality management, customer relationship management (CRM) and supply chain management. The cloud solution provides FRS access to consistent, accurate, real-time business information “from the shop floor to the top floor.” It enables FRS to more effectively and efficiently manage virtually every aspect of its business including bills of material, purchasing, receiving, inventory, manufacturing, quality, planning and scheduling, shipping, EDI, engineering change tracking, financials, document control, human resources, and supply chain management.

“The real-time information accessible in Plex has forced us to become more disciplined in all areas of our business processes,” said Mike Gerber, IT Director, Fluid Routing Solutions.

“The old AS400 system was batch-oriented and therefore allowed users to get away with imprecision and some bad habits,” he continued, “but with Plex, there’s no room for fudging. Current data is right there, and it’s undeniable.”

Integrated Quality and Supply Chain Management

Plex Cloud ERP provides tools that have increased FRS’s visibility into supplier operations, facilitated better communications, and added discipline to quality management across the supply chain.

For example, the Plex supplier portal notifies FRS suppliers of quality issues, while enabling FRS to communicate the details behind any nonconformances and document any associated costs through an automated issues log. Suppliers communicate with the company through the portal. Everyone can easily view real-time quality issues by plant and by supplier. If a quality issue is identified, suppliers are required to respond within 24 hours using Plex Cloud ERP.

The company uses Plex’s supplier scorecard to grade suppliers based on the number of complaints received, the quantities of products rejected, major production disruptions, repeat non-conformances, and controlled shipping statuses.

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The improved visibility facilitates speedier problem resolution and reaction to quality issues, which in turn minimizes the scope of non-conformances and improves overall quality.

“Reconciliations that used to take a day or two are now completed in just minutes.”

Productivity Improvements

In addition to forcing more discipline into FRS’s business, Plex’s automated functions have replaced manual activities in many departments, saving time and speeding processes.

“If there is a quality issue, responses are fully integrated across the entire supply chain,” noted Gerber. “Suppliers don’t have to enter their quality information into a separate system to develop their metrics.”

When products are shipped among FRS’s plants, everything is processed automatically in real time, eliminating the need for duplicate data entry. In addition, financial reports and statuses are generated quickly and easily.

“Reconciliations that used to take a day or two for Accounting to pull together are now completed in just minutes,” noted Gerber as an example.

Cost Savings

In addition to the efficiencies it has introduced, Plex Cloud ERP has delivered on IT operating cost savings. In the first year after launch, FRS experienced a 30 percent reduction in ERP-related operating costs.

A major key to the cost savings is how Plex Cloud ERP is maintained and supported. As a cloud solution, it is managed off-premises, so FRS does not have to dedicate any internal resources to keep the system up and running. The company also avoids the cost of upgrades or new versions. Plex Cloud ERP enhancements are ongoing and FRS can simply choose to opt-in to take advantage of them.

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Cost advantages have continued as the company has grown. A year after the initial launch, Plex was easily launched at a fifth site — a newly acquired industrial hose assemblies plant — again with help from consulting firm Plante Moran. The launch took only a few months and primarily utilized internal resources.

The Whole Package

The FRS management team and its owners are impressed with results they have seen in all areas of the business since the launch of Plex Cloud ERP.

“My feeling about ERP systems and their launches had always been that you can focus on either technology benefits or business benefits,” said Gerber, “but we didn’t want to ‘cheat’ on either. With Plex, we didn’t have to.”

With Plex Cloud ERP in place, Gerber was able to staff his internal IT department with business analysts instead of applications support, database administrators, or programmers. He notes that this is allowing him to establish the IT function as a strategic partner to the business units.

Because Plex’s functionality covers all areas of the manufacturing enterprise, it has supported all of FRS’s business goals, even as they have shifted over time.

“Growth has been a key goal of ours,” noted Gerber, “and we are now utilizing Plex’s program management functionality to manage processes as we develop and launch new products.”

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 an ever-changing market. Learn more at www.plex.com

About Plante Moran

As an original member of the Plex Alliance program, Plante Moran’s enterprise resource planning (ERP) team has been successfully implementing the Plex Manufacturing Cloud for more than 12 years. A leading global implementer, the firm provides solutions for automotive, food and beverage, industrial manufacturing, precision metalforming, and general industrial manufacturing companies. The firm’s team of ERP consultants serve both private equity groups and sole proprietorships and has led successful implementations for organizations of all sizes, startups through multilocation, global manufacturers.