

Surtel Technologies

- Case Study -

E-Kanban Implementation Reduces Shortages



Surtel Technologies Pvt. Ltd.
Shagun Tower,
Block No. 317-322, III Floor,
Vijay Nagar Square, A B Road,
Indore - 452010, M.P.
India

NOTICE: Proprietary

This material shall not be used, reproduced, copied, disclosed, and transmitted, in whole or in part to a third party without the express consent of Surtel Technologies.

Surtel Technologies Pvt. Ltd.

Tel: +91-731-4069747

Email: info@surteltechnologies.com

Solution Summary

The client's manual Kanban system consisted of an off-line manual data management process using Excel and Access. This system was no longer suitable for their business needs. The dramatic increase in the number of Kanban cards led to an increased complexity for the users in manually maintaining the cards. To complicate the process, there was no real-time information available for open Kanban orders. Our study indicated efficiencies would be gained by using Kanban for placing purchase orders directly to the suppliers.

Surtel implemented the e-Kanban solution and reduced product shortages by 90% along with a reduction in the cost of WIP by 70%. The client's return on investment was enhanced by Surtel's ability to deliver a completed project within eight weeks.

Solution Profile

Our client is a leading global provider of commercial cleaning and hygiene products. In the year 2006 they planned to upgrade their manual Kanban system to electronic Kanban system through their JD Edwards ERP system. The implementation process of Kanban in their ERP system needed to be developed in a systematic way in order to achieve desired results. The key actions included were:

- Removing excess waste and cost from the manufacturing process
- Improving flow and material delivery to point of use
- Successful implementation of Kanban process in the ERP system

The process began with carefully studying the client's current, manual Kanban system. The system used cards for 'replenishment from stock' for the consuming location. It was also desired to start the same concept for purchased items as well (i.e. replenishment from a vendor). After carefully studying the requirements, a two phase electronic Kanban system was implemented in the JD Edwards ERP system. Following an 8 week implementation process, the company achieved the following:

- The new E Kanban system resulted in a 90% reduction in shortages and 70% reduction in WIP (from 10 days to 3 days)
- Reduction in human errors
- Simple and fast creation of Kanban cards
- Automatic creation and faxing of Work orders and Purchase orders to the vendor; avoiding non value added activities
- Full transparency of current and actual inventory and Kanban orders
- Data management in a robust system

NOTICE: Proprietary

This material shall not be used, reproduced, copied, disclosed, and transmitted, in whole or in part to a third party without the express consent of Surtel Technologies

Surtel Technologies Pvt. Ltd.

Tel: +91-731-4069747

Email: info@surteltechnologies.com

The JD Edwards system offers three different sources of supply for the replenishment of requirements. These sources are:

- Stock Replenishment
- Vendor Replenishment
- Production Replenishment

Distinguishing Feature

Surtel strives to provide their clients with a strong return on investment when implementing customized solutions. We deliver custom configured solutions for every client, incorporating software modifications for strategic process gaps only. Our JD Edwards knowledge, proven methodologies and business solutions enable our clients to be successful. We are experts at training, mentoring, and knowledge transfer. Our goal is to implement quickly, provide knowledge transfer and turn over support to our client's staff.

This documentation is delivered as is. Surtel makes no warranty as to its accuracy or use. Any use of this documentation is at the risk of the user. Although we make every good faith effort to ensure accuracy, this document may include technical or other inaccuracies or typographical errors. Surtel reserves the right to make changes without prior notice.

Surtel and this publication are not affiliated with or endorsed by Oracle JD Edwards software.

NOTICE: Proprietary

This material shall not be used, reproduced, copied, disclosed, and transmitted, in whole or in part to a third party without the express consent of Surtel Technologies

Surtel Technologies Pvt. Ltd.

Tel: +91-731-4069747

Email: info@surteltechnologies.com