Automatic Feed Company
Encompix® ERP

Encompix State-Of-The-Art Business System Helps Automatic Feed Increase Efficiency

When the time comes to select and implement a new business system for engineer-to-order manufacturing, the elements to consider go beyond just the current software and hardware configuration. To find a solution that you can be confident will carry your business forward, you must first have confidence in the people who stand behind the system. Automatic Feed Company, a $40 million machine tool manufacturer based in Napoleon, Ohio, found that level of trust and confidence in Encompix.

Since it was founded in 1949, Automatic Feed Company (AFC) has grown into one of the world's premier designers and manufacturers of coil processing equipment. These are the machines that uncoil steel and prepare it so it can be stamped into parts for the outer bodies of automobiles. AFC employs 150 people in its 168,500 square foot facility, which houses its own complete design and manufacturing departments.

As a $40 million dollar business, AFC is larger than the average machine tool company in business today. AFC's customers include all the major U.S. and Japanese automakers, along with many of the Tier 1 stampers to those companies.

"Our average project is in the $3-5 million dollar range, with literally thousands of parts," said Nathan Weaks, treasurer of AFC. "Of these, usually 70-80 percent is similar, but there can be customization on the basic design that is equivalent to 20-30 percent of the total project."

Time for a New System

In the early 1990s, AFC had implemented a manufacturing system that was state-of-the art for its time. But a decade later, when the company needed to further increase the efficiency of its operations, the existing business systems could not support the desired improvements.

"We identified 10 areas in which we wanted to be better than any of our competitors in the world," said Weaks. "The system we had in place had served us well, but the company behind it was not taking the software forward. Today's state-of-the-art business systems have more advanced capabilities. To achieve the results we were looking for, we realized it was time to make a change."

Integration Essential

At the beginning of its selection process, the team members at AFC compiled a list of goals they wanted to achieve with the new system: "Our existing system was integrated for its time, but the systems of today go even further," said Weaks. "We wanted to better integrate our CAD system with the bill of materials, integrate our sales quoting better with our costing and our supporting processes, and make the information about the best manufacturing times that we've done on a job more accessible to the team member who is involved in making that equipment."

"We also felt we needed more flexible text and remarks capabilities," added Weaks. "We wanted to integrate our quality system—our QS9000 details—with the manufacturing system. We wanted to improve our vendor performance reporting, and go to web/internet purchasing."

"Our existing project management and scheduling systems operated as standalone pieces," Weaks continued. "We wanted to integrate MS Project and scheduling, so we could track and report our progress on each of our projects in a more streamlined way. And, we wanted to improve our human resource record keeping capabilities. We needed something more robust than just a payroll system. And finally, we wanted to go live within six months while keeping within our budget."

"Those were the tangible things we were looking for," said Weaks. "We started with a list of 15 companies, which we narrowed down to about six or seven, and then finally down to three or four finalists. And when it came down to the finalists, that's when the intangibles had their effect. Trust takes business a long way. We want as high a degree of confidence and trust as possible in any company we deal with. We felt we could put that trust in Encompix."

The Encompix focus on the machine tool industry was also important to AFC.

"Encompix is well set up to handle most of the issues that machine tool companies face," said Weaks. "And the Encompix project managers have worked with other machine tool companies, so they have a pretty good idea of the business processes involved."

Flexibility Key to Success

According to Weaks, it also helps that Encompix is flexible enough to accommodate variations in the way a company does business.

"We didn't want to change the way we run our business to accommodate the software," said Weaks. "For example, we felt we already had a good way of assigning project numbers and engineering drawing numbers. In two hours, we figured out how to do it the same way in Encompix with very little change. Where we have made changes, it is because they will enhance the way we do business."

Smooth Implementation

"Our company is different from other machine tool makers in that the size of the projects we work with are considerably larger than average," said Weaks. "The Encompix team quickly gained an understanding that we weren't typical, and was able to accommodate our unique requirements. The implementation has gone pretty smoothly as a result."

Weeks described the implementation plan: 'We put together a fairly large implementation team, with people from all parts or our company. We have one of the owners involved accounting costing, sales, MIS, scheduling, production, engineering, service, project management, human resources, and purchasing.

"We developed a written implementation plan in coordination with our Encompix project manager, and we've broken it down to assign people pieces of the project along with deadlines. We went through the training process with our key champions, and focused primarily on the job costing and process flow. After the first day of the champions' training, we came up with a good, solid way of modeling how our jobs should flow through the process.

"We have tested our model on past data and ran simulations, and are currently training our broader group of users. And I have to say that one of the things that has stood out about Encompix so far is the training. Compared to systems I've installed previously, Encompix has given us better training and better project management."

Benefits

According to Weaks, AFC is already seeing a number of advantages to the new system.

"One area is in conversion of materials," said Weaks. "For example, we may buy steel by the pound, but issue it by the inch. With the new system, we now have to do very little conversion. We can, in effect, buy in the same quantity that we issue. This reduces the chance of calculation errors and makes everything run more smoothly."

Most significantly, Encompix has produced a 20 percent cost reduction and a 30 percent reduction in cycle time. AFC needed to reduce costs to maintain their leadership position when the U.S. economy slowed down and global competition heated up. They recently completed a $4 million project in just seven months, or 30 percent less time than usual. Their interactional business has flourished, with projects in progress throughout Asia, South Africa, and Russia.

Looking to the Future

Looking ahead, Weaks expects that the Encompix system will help AFC continue to become more efficient and cost effective.

"With more and better information at our disposal, we'll be able to accomplish more, and be better and faster than our competition," said Weaks. "We wanted to get back to state-of-the-art efficiency and performance. We feel that we now have an integrated system that will help us operate better than we have ever been able to do in the past, with less redundancy and reliance on standalone systems or spreadsheets. And that access to information is the best thing from the standpoint of competitive advantage."