

AccuSpec Electronics, LLC



An enterprising company.

AccuSpec Electronics, LLC (AccuSpec) is an electronic manufacturing services (EMS) company serving the industrial, medical, military, and aerospace markets. Certified according to ISO 9001:2000 and ISO 13485:2003 (medical) standards and IPC A-610D, the company provides electronic manufacturing services for customers outsourcing either all or part of their electronics assemblies. AccuSpec's full range of manufacturing services includes thru-hole and SMT printed circuit boards (PCBs), cables, conformal coating, chassis assembly, testing, troubleshooting, and full turnkey box builds. The company also offers rapid prototyping as well as repair and maintenance support for its customers' products—providing "cradle to grave" service.

AccuSpec's customers range from Fortune 500 companies to smaller industrial companies and occasionally start-ups. Centrally located between Cleveland, Buffalo, and Pittsburgh, AccuSpec is the largest electronic contract manufacturer in northwestern Pennsylvania serving customers throughout North America.

For more information about AccuSpec's EMS capabilities, visit www.accu-ems.com.

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TY EGGEMEYER, CHAIRMAN, ACCUSPEC ELECTRONICS, LLC

Setting the strategy.

To thrive in an increasingly competitive global market, AccuSpec realized that it needed to improve its on-time delivery rate of less than 50 percent for completed assemblies. This low rate was due to ever-changing order request dates and quantities, and a vendor base with an on-time delivery in the upper 80 percent range. As Ty Eggemeyer, AccuSpec chairman, says, "If you buy 600 items a week and 10 percent are late, then the 60 late items can affect 50 percent of assemblies because just one late part keeps the entire assembly from shipping."

The company decided that it needed a more dynamic manufacturing system providing improvements in customer management tools, material management processes, job and shop-floor control, bill-of-material (BOM) management, and sourcing of alternate parts. It sought to provide rapid prototyping, implement Kanban programs, and use an integrated electronic interface with its key vendors to achieve just-in-time (JIT) delivery while maintaining low inventory levels.

AccuSpec's goals were to double both sales and profitability within three years, with long-term goals of providing more high-end products such as medical devices.

Getting business specific.

After examining several competitive products, AccuSpec selected Infor™ ERP SyteLine. Eggemeyer explains, "Stability, flexibility, and the ability to handle complexity and grow with the business were important factors, and Infor's application proved strongest. The 10-week implementation we sought also appeared most probable with Infor."

A significant aspect of the ERP selection included being able to use barcode readers throughout the plant to capture actual labor on a job, assembly, and customer basis. "Our plan was to serialize the unpopulated PC board upon job order release to track the job labor and progress and ensure a zero shipment error rate," Eggemeyer says. "SyteLine demonstrated we could use it in innovative ways, including knowing profitability by customer for each assembly we produce."

facts at a glance:

- > company AccuSpec Electronics, LLC
- > solution Infor ERP
- > product SyteLine
- > industry High-tech & Electronics
- > revenue US \$28 Million
- > employees 150
- > country USA

Seeing results.

Converting to a new manufacturing system proved a daunting task with 1,000 assembled products and 13,000 parts in the item master. AccuSpec was successful in implementing it within the 10-week timeframe. Eggemeyer notes, "We went live and were up and running on the same day. We continue to fine-tune the serialization process while using the system in increasingly complex ways, but with Infor's help we met our implementation goals with flying colors. Also, the knowledge and experience of Decision Resources (an Infor partner) was key to our implementation success."

AccuSpec achieved various goals that it attributes to Infor ERP SyteLine. The company uses an "auto order" process in which an electronic feed for future parts requirements including forecasts and Kanbans is fed to vendor systems generating order releases JIT. "Vendors have total visibility into our future requirements," Eggemeyer says, "and can ship everything due within a predefined 2-week window in three days." Parts outside the two week window are ordered in the supplier's pipeline and reserved for AccuSpec. The process eliminates excess inventory and most manual effort. Says Eggemeyer, "The job of ordering parts has diminished by over 90 percent, freeing up our buyers to develop better sources, improve vendor quality, and correct issues. Total inventory is down over 25 percent, even as finished goods in Kanbans have risen to required stock levels." Adds Tom Rettger, AccuSpec materials manager, "Today, over 70 percent of AccuSpec's purchases on a dollar basis are made via auto order."

The company also incorporates an automated internal request form (IRF) process to fill requests for additional or missing material associated with job orders on the floor. Previously, this process was an inefficient manual method and created inventory accuracy issues. Notes Eggemeyer, “If the part is in stock and the total dollar is below a threshold parameter we set, the system automatically prints the required paperwork in the stockroom and makes the journal transaction. Auto IRF has significantly increased our stockroom productivity.”

Using Infor ERP SyteLine, Accuspec developed a method to ensure all job orders have issued parts. The system “overissues” a presubscribed drop-off rate for low dollar parts where shrink is evident. A weekly report indicates all parts issued on closed and open job orders. “Most companies in our industry have cycle-count challenges,” says Eggemeyer. “With strict BOM control using the IRF process, we have increased cycle-count accuracy by more than 90 percent.”

AccuSpec also uses Infor ERP SyteLine as a planning tool. “We enter ‘what if’ scenarios into the system,” Eggemeyer adds, “allowing us to give customers answers to potential parts issues on future orders within seconds. We also use it to check on material status and provide the best possible delivery date. Our customers are thrilled.”

Using barcode scanners has enabled AccuSpec not only to capture margin on a job, assembly, and customer basis, but also to price more accurately and see trends where material or labor is increasing. The company tracks quoted component prices against actual purchase costs to see where material variances occur. Eggemeyer adds, “We automatically track the time taken on all jobs and compare the time per job to historical averages. Our productivity is up about 50 percent since implementing SyteLine.”

Eggemeyer also attributes the relational database aspect of Infor ERP SyteLine to helping the company manage obsolescence. “Managing obsolescence is critical in our industry because it can eat up over 20 percent of our profitability,” Eggemeyer explains. “SyteLine allows us to measure obsolescence increases to a component level and connect them to a program and/or customer. By discovering them early, we can recover costs by using up the inventory, returning it to the vendor, or billing it to a customer. This feature alone pays for SyteLine several times over.”

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AccuSpec has developed an innovative, flexible system for fulfilling same-week JIT customer orders, including lower volume assemblies. AccuSpec uses order forecasts and Kanbans to fulfill uncertain customer demand on a JIT basis by using safety stocks and multiples to drive a two-bin Kanban system. When the projected stock falls below the safety stock for any item, an order is automatically generated to replenish the second bin. When the second bin is empty, it is physically moved to production control, which returns it to the floor with the job order. After job order completion, the full bin is returned to the shelf. Using a JIT process, AccuSpec has eliminated the need to continually update order dates and quantities. Eggemeyer concludes, “We can close our books in less than two days each month. Our annual ROI in Infor ERP SyteLine is over 400 percent.”

Being open to an enterprising future.

Several automated processes at AccuSpec have considerably improved its efficiencies, says Eggemeyer. “SyteLine’s relational database capabilities offer hidden benefits. We have automated our MRP process, job planning process, and certain material issue processes. We have improved on-time delivery to 94 percent—with that number still rising—and our return rate has declined by over 85 percent. Using SyteLine, we are confident Infor will continue to help us as we grow and lead our industry in innovation.”

About Decision Resources, Inc.

Decision Resources, Inc. is a premier Infor channel partner working with Infor ERP SyteLine. Visit www.decision.com.

About Infor.

Infor delivers business-specific software to enterprising organizations. With experience built in, Infor's solutions enable businesses of all sizes to be more enterprising and adapt to the rapid changes of a global marketplace. With more than 70,000 customers, Infor is changing what businesses expect from an enterprise software provider. For additional information, visit www.infor.com.

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