

## ebm-papst



The ebm-papst group is the world leader in the manufacture of energy efficient fans and motors, producing approximately 50 million motors each year. The group employs about 10,000 people and has an annual global turnover of more than €1 billion. The UK subsidiary, based in Chelmsford in Essex, sells a diverse range of air movement products to UK manufacturers in the refrigeration, air-conditioning, heating, ventilation and telecommunications industries. Founded in 1974, ebm-papst UK has grown year on year and now employs approximately 80 people.

During the Spring of 2005 business changes and the increased activity at the site in Chelmsford provided the opportunity for ebm-papst to look seriously at automating the warehouse operations. A strategic business process review was undertaken by the IT and operations teams at Chelmsford to identify what areas of the warehousing processes needed attention.

ebm-papst UK have been using Infor's Aurora System21 ERP systems for many years and naturally were keen to ensure that wherever possible any WMS was able to integrate into System21.

## ebm-papst realises significant cost savings with Interactive Warehousing from Indigo

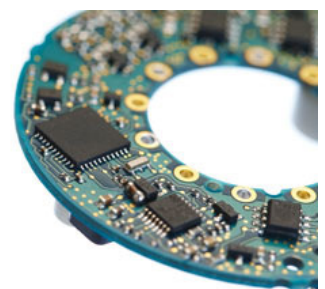
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After studying the proposals from a number of vendors ebm-papst decided to approach Infor to find out who it would recommend solution provider. Infor recommended its key warehousing partner, Indigo Software Ltd, as it had extensive System21 experience and clearly understood the details of automating the warehousing processes.

Indigo were invited late in the process to submit their proposal and presentation, during the spring and summer of 2006 Interactive warehousing was implemented.

Commenting on the initial investigations Eric Carter, Indigo Management Consultant, said "ebm-papst had existing systems and procedures that helped in the overall warehousing and sales order process, however in order to maximise efficiencies and satisfy their customers whilst maintaining their high "On Time In Full" factor each order received an inordinate amount of time and effort to ensure customer satisfaction.

" This is fairly typical of a paper based SOP and WMS process.



*"The continued support from Indigo enabled us to complete the fine-tuning of RealTime within two months."*

*Ray Ladyman Operations Director for ebm-papst.*

Time was spent with ebm-papst exploring in some detail the day to day issues that compromised the overall process and sought to understand where these issues were adding cost to the business.

After completing our detailed ROI calculations these were presented to the management team as part of our proposal.

The issues faced on a daily basis by the operations teams at ebm-papst were not unique, indeed we see the same things in many companies. They operate out of a modern high bay warehouse on the outskirts of Chelmsford. The impressive and modern infrastructure included areas of VNA (Very Narrow Aisle) Racking with MAN UP picking trucks and also some wide Aisle Racking Installations.

Indigo provided their RealTime for System21 Aurora software to cover the areas of Product Receipt and Interactive Warehousing

Ray Ladyman Operations Director for ebm-papst said.

“High on our list of priorities was the move towards automation of our inbound receipt processes. In fact this was one of the main reasons for purchasing the WMS.

The best we could achieve for a trailer delivery from unload to product availability was 6 hours, it was not unusual for this time to creep higher as on occasions we would be faced with unloading three or four trucks on delivery days. We are a subsidiary of a German manufacturer and as a result have little or no control of

our inbound flow of goods from the European Factories.

Indeed it was not unusual to have a situation where goods that were unloaded late into the evening didn't make it onto System21 until the following day.

I am delighted to say that the improvement has been significant, to a point where all stock is available within 45 minutes of the trucks arrival, the complete operation including the pallet and carton putaway is now completed in a maximum of 2.5 hours. At the time we were using inventory's stock locator to hold stock at location level. Although this had been suitable up to then the limitations and lack of true warehousing functionality were really hurting the business.

Since implementing RealTime our stock at location accuracy has increased from 89% to 99.9%, but more importantly we were manually tracking product in the warehouse consuming at least 15 hours a week of Supervisor overtime, without his input the accuracy would have been much worse. Accuracy is now superb with the only errors due to shortages at delivery that don't become evident until picking.”

Eric Carter Indigo Management consultant commented, “ebm-papst were open and honest about their failings during the investigation process and were very keen on our ROI based process. We had estimated a very strong ROI in the first year of the project and I asked Ray a very blunt question. “Was it worth it?”

“Yes it was definitely worth it.”

“There has been a lot of change during the period following the Go Live that was not predicted and has seen the number and size of orders change; therefore accurately measuring the effect has been made difficult. However, during this period we have seen a reduction of warehouse operatives by 3 people, these were not laid off but rather natural wastage and re-allocation of duties. Our operative efficiency has definitely increased and my (conservative) measure indicates an 18% improvement.

The additional benefit has been noticed within the sales office where the Sales Order Process has much more time available due to reduced stock investigations and delivery enquiries.

The whole order to despatch process has really benefitted from the sales order tools available and the whole team enjoys the enhanced visibility of order status which also allows us to understand the stock situation much more quickly than ever before.”

Colin Hough ebm-papst account manager says,

“The software and associated hardware we provide allows us to use industry best practice in our internal warehouse processes to create a simple, intuitive, robust and most importantly totally integrated Infor System21 solution.

Indigo's strength is delivering on time projects with the minimum amount of risk to the customer. We have a range of solutions that all provide companies with a

competitive advantage in these difficult times.”

“Its important to understand where the pinch points in your business are at all times and never more so than in today’s uncertain economic climate”.

You too could benefit from the strong Return on Investment Indigo’s RealTime can bring to your company. Our customers would typically see a complete return on their initial investment within 18 months and for some this is far less.

Ray Ladyman closed by saying:

We had deliberately set the bar high in terms of what we wanted from our Implementation of RealTime - and to deliver against

expectation, it was clear we would need a very productive infrastructure to pull it all together. We were all keen to create something really special for ebm-papst at Chelmsford and provide the wider business with the model solution to warehouse management

We took a very hands-on approach to the project and were able to utilise an internal project manager. During the education and process review stages he acted as 'super-user', our sole aim was to pressure test the system and iron out any wrinkles in our processes before the 'Big Bang' switch on.

Working with Indigo’s excellent Project Management, we were able to switch over to the RealTime system with minimal

disruption to the daily sales operation, in fact there was a continuation of 'on-time' delivery without any errors during the first week of operation.

The continued support from Indigo enabled us to complete the fine-tuning of RealTime within two months.

It's a very robust solution with excellent features and our 'super-user' approach paid dividends in getting differences nailed fast. Our own trialling and testing during that period told us that RealTime was as tough and as flexible as we'll foreseeably need – giving us tremendous confidence."