



Deploying ERP at Mother Factory to Enhance Customer Satisfaction and Work Efficiency

Dynamics AX introduction handled by Thai team who will be actual users

Background

The Strapack Group that manufactures strapping machines and other packaging equipment on a global basis runs a mother factory for standard products to maintain high-level QCD in Thailand. The company wanted to introduce ERP so as to increase customer satisfaction and work efficiency.



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General Manager
Strapack (Thailand) Co., Ltd.



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Senior Manager
Strapack (Thailand) Co., Ltd.

Solutions

The "Dynamics AX" ERP package was selected because of its wide array of functions, user friendliness, and global orientation. NSSOL and NSSOL Thailand were contracted to provide deployment support. A project team made up mainly of Thai personnel was tasked with creating a truly useful system.

Outlook

The application range of the system is being gradually expanded, and results are already apparent in the centralization of information data and more efficient document creation. Targets for the near future are to reduce production costs through optimized production planning.

Considering ERP deployment for standardization, automatization

The Strapack Group is aiming to become the world's number one manufacturer of strapping, packaging, and logistics equipment. The group's Thai subsidiary Strapack (Thailand) operates a global mother factory for standard packaging machines and parts. The factory supplies Japanese quality products to Japan, Europe, the U.S. and elsewhere. In 2014, Strapack (Thailand) began considering the introduction of an ERP (Enterprise Resource Planning) system. At the time, the company was dealing with an increase in demand for customized products and rapidly fluctuating order volumes, making it necessary to thoroughly revise its operations. A comprehensive drive for standardization, automatization, and higher efficiency was launched, and Strapack (Thailand) looked into an ERP package software.

NSSOL and NSSOL Thailand provided deployment support

Strapack (Thailand) collected information about a number of ERP packages and the support available from various IT vendors. On the strength of its functional versatility, user-friendliness and global compatibility, Microsoft Dynamics AX was selected as ERP package. Knowledgeability about the package and the backing of highly skilled Thai engineers were some of the reasons why NS Solutions Corporation (NSSOL) along with Thai NS Solutions (NSSOL Thailand) were entrusted with providing deployment support.

Strapack (Thailand) formed a team mainly consisting of Thai staffers tasked with realizing a system that would be optimized for actual on-site use. Upstream tasks such as basic planning and basic design were done with the help of NSSOL's Solution Planning and Consulting Center, while subsequent project tasks from detailed design to operation testing relied on support from NSSOL Thailand.

Information sharing and document creation efficiency were gotten

ERP operation using Dynamics AX got under way in April 2016, and the system application scope is being gradually expanded. Significant advantages have already emerged with regard to the centralization of information data and higher efficiency in creating documents. Reports for use by management on topics such as shipping volume are now being created automatically, with higher speed and more accuracy. Orders and other documents are also issued automatically, requiring less effort and making the process faster than before. At the current stage, automatization has been realized for more than half of the processes that make up production planning. With the ultimate aim of increasing customer satisfaction, the system will be harnessed to improve standardization, automatization, and efficiency.

Key to Success

By introducing ERP system, Strapack (Thailand) aims to enhance customer satisfaction and further improve work efficiency.

General Manager Mr. Takahito Orihara explains it as follows: "We already had a financial accounting system in place, but in other areas such as production management, inventory management, marketing, and procurement, we were still using spreadsheet software for operations. This led to problems such as particular staff members tending to get overloaded, making it difficult to deal with sudden increases in order volume. We therefore wanted to achieve a fundamental improvement by going with an ERP system."

The selection of an IT vendor to support the ERP package deployment was done with great care.

Mr. Orihara: "Also after collecting some information about ERP packages and IT vendors, we were still looking for the solution that would suit us best. We attended a seminar held by NSSOL Thailand and received a proposal for Dynamics AX after that, so we were able to narrow down the choice of products and vendors."

There were three major reasons that led to the selection of Dynamics AX and NSSOL Thailand.

"Dynamics AX comes standard with an MRP (Material Requirements Planning) function that we wanted to implement, and we also felt that the software was user-friendly. Furthermore, the explanations that NSSOL Thailand provided about the product were accurate and easy to understand, and we felt that the company could be trusted. Finally, we created an evaluation chart that listed ERP packages and IT vendors providing deployment services. All team members provided their input, and Dynamics AX and NSSOL Thailand came out on top." (Mr. Orihara)

The engineers from NSSOL Thailand also got high marks.

"Of course it is not surprising that the company employs many engineers from Thailand, but their skills impressed us as being way above average."

A key aspect of the project was the fact that it was tailored to fit the on-site requirements of a company whose staff consists almost exclusively of Thais. "It is of course indispensable for the Japanese who conduct management to understand the system, but even more importantly, we thought that the project should proceed with responsibility and a sense of dedication to the on-site staff who will actually use the system." (Mr. Orihara)

Forming a mixed team with Japanese and Thai members and aiming for a system that is truly useful on site

NSSOL and NSSOL Thailand responded to these concerns by suggesting the formation of project teams. The suggestions were accepted, resulting in a management team that had both Japanese and Thai members, and a project execution team that consisted mostly of Thai staff.

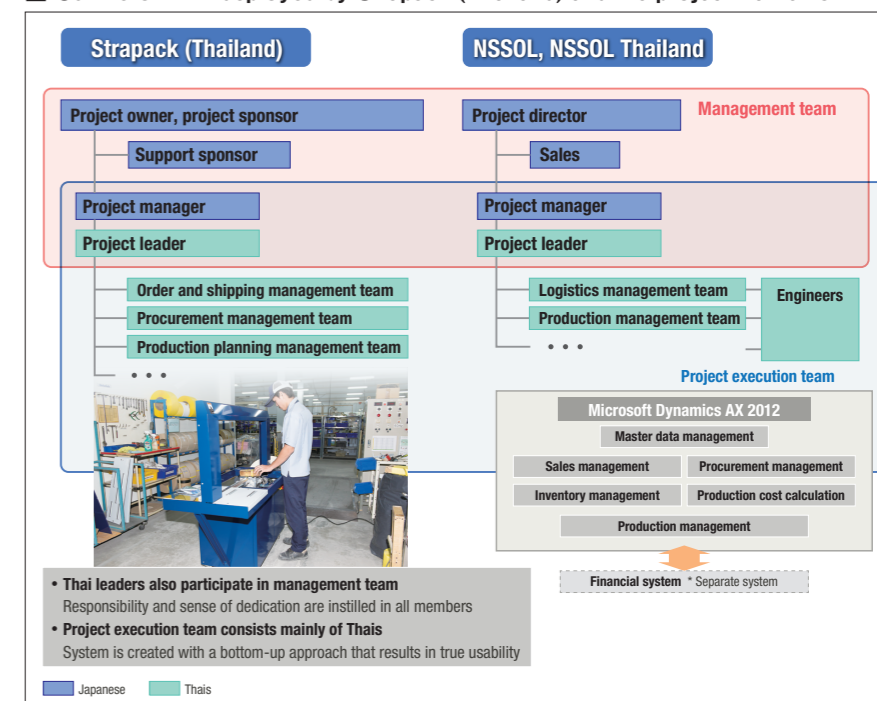
NSSOL and NSSOL Thailand provided comprehensive support to the Thai staff of Strapack (Thailand).

Senior Manager Mr. Noppadon Thorarit comments: "I was keeping an eye on the project's status day by day. Whenever I noticed a problem, I contacted NSSOL Thailand and I was satisfied with their engineers' speedy and useful responses. If the subject matter was complex and time-consuming, they visited us in person and provided us with detailed explanations."

The application scope of the system is now being gradually expanded.

Mr. Orihara: "We have already made significant progress in terms of centralization of information data and higher efficiency in creating documents. The information extracted by analyzing a large number of files is now accessible from within the system, and the creation of reports that previously required many hours can now often be done in an hour or less. We intend to further utilize the system to shorten lead times and improve our delivery period compliance rate."

Outline of ERP deployed by Strapack (Thailand) and the project framework



Core technologies

ERP, Global orientation, Project management for mixed team of Japanese and Thai members

System outline

- Servers: Microsoft Windows Server
- Database management system: Microsoft SQL Server
- Application: Microsoft Dynamics AX 2012

Strapack
ストラパック株式会社

Strapack (Thailand) Co., Ltd.
Head Office: Samutprakarn, Thailand
Established: 1987
Capital: 73 million baht
Number of employees: Local staff 160 (including 4 Japanese)
(Current as of March 2016)
Site area: 8,000 sqm, Building area: 5,300 sqm

Strapack Corporation
Established: 1960
Capital: 620 million yen
Number of employees: 406 (as of July 2016)