

Case Study



PAPCEL, a.s.

supports growth by applying
APS technologies





PAPCEL supports growth applying APS technologies



PAPCEL, a.s., a Czech manufacturer of machinery and technological equipment for paper industry, has decided to increase the efficiency of its management system by deploying advanced planning technologies (APS). LOGIS has become the partner of the project focused not only on the delivery and implementation of information technologies but also on the process changes.

The joint-stock company PAPCEL Lito-vel has been producing machinery and technological equipment for the paper industry for more than 60 years now.

More than 240 employees are involved in the projects. All the necessary departments



Filip Wrnata
Vice-chairman of BoD

are available, offering a complete business support: commercial and technical services, design and engineering and technical and technological development, including a corporate testing laboratory, department of project engineering and management, and finally pre-production and

for complete lines of paper-making machines and for preparation rooms for paper production materials. It provides individual supplies, deliveries of complete technology, repairs, overhauls and refurbishments, reconstructions of production units and complete technological assemblies. For the supplied equipment, it provides spare parts and complete service. The production program is complemented with a possibility of delivery and complete reconstruction of second-hand paper-making machines.

PAPCEL job orders are characterized by high complexity, low repeatability and a high proportion of creative work. Management of fulfilling such job orders is therefore very difficult. In order for the company to use its available resources to a maximum, it was necessary to increase the efficiency of the management system. A more detailed analysis revealed,

Thanks to the inception of construction planning, we now have a good view of the capacity load of our key departments.

Filip Wrnata,
Vice-chairman of the BoD

WHY APS?

Ing. Filip Wrnata, Vice-chairman of the Board of Directors of PAPCEL, a.s. says: „PAPCEL is a fast growing company - in the last three years, we have significantly increased our sales and we definitely do not want to be pessimistic in our goals. We feel that the interest in our supplies is increasing. The production capacities of our company, however, remain the same and it is more and more difficult to maintain economic efficiency, as well as the speed, reliability and flexibility of our orders with support from the existing tools of ERP category. Our original intention was to totally replace the information system in order to achieve significant improvements, particularly in terms of synchronization of material flow - production planning. During the long selection process, however, we came to the conclusion that replacing the ERP will not lead us to the desired goal; mainly because the planning concept on which all these instruments are based is still the same and in comparison with the possibilities of our existing information system, we would not help ourselves in the area of production and procurement planning. For this reason, it was decided to deploy highly efficient and advanced planning technologies - modern tools of advanced planning category, which do not replace the existing information system, but complement it.“



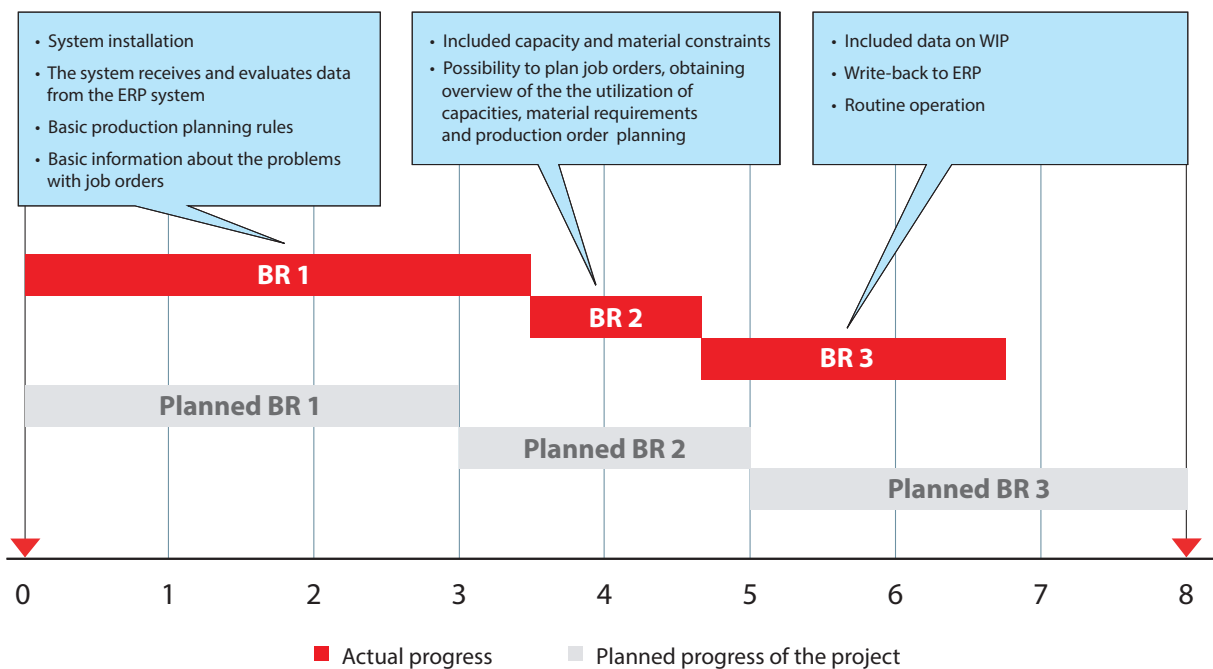
production departments with all technical equipment required for machinery production.

The company manufactures and supplies machines and equipment

that the barrier is particularly the poor performance of the existing tools used for planning and management of job orders.



Project Schedule



The implementation partner of this project is LOGIS company. It was favoured especially by successful product implementations in similar companies and satisfied reactions of its users. The actual project of implementation of APS system JDA Factory Planner, however, was not a simple one. The project was carried out in three stages of implementation, during which it was necessary to change business processes and the employees had to cope with new management tools.

COURSE OF THE PROJECT

Both parties agreed to set the implementation time to eight months.

Despite the slight delay in the first stage, the project was completed approximately one month before the deadline specified by the contract.

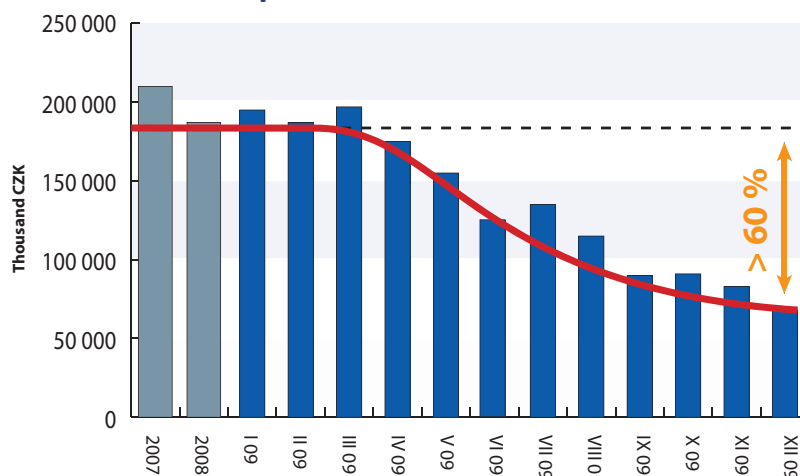
„During the implementation of APS JDA Factory Planner, it was decided, that our company will be planning in weekly cycles. From January 2009 to March 2009, we launched the testing phase of system operation.

In the testing phase, the weekly plan was discussed daily in presence of the production director, heads of individual workshops, central planning director and head of the cooperation at short dispatching. This planning

group addresses material and capacity problems, analyzes the impacts of the newly received orders, as well as the changes and disturbances in the course of production process, prepares documents for discussion by the managers of the departments of procurement and sales logistics, and makes suggestions and proposes changes to processes to improve the planning process. The purpose is to obtain feedback from the personnel working with the plan.

Thanks to the daily analysis and evaluation of the issued plan, the errors and deficiencies were gradually removed during the inspection days.

Development of total stock level



Assembling the first plan was preceded by a specification of the number of employees in each workplace and the subsequent assembling of the work resource calendar for 2009. The next step was to update the delivery dates for orders carried out by the procurement department. Quality of the setting of our resource calendar and real delivery dates for material constitutes the basis for a feasible weekly schedule.

An equally important input for plan creation process is quality technical and technological documentation.



This issue was addressed within the implementation, when rules for this documentation were set. It was not an easy task, since it meant changing the rules used for many years. With the introduction of APS JDA Factory Planner, however, there was a significant improvement in the quality of published documentation; it also had a positive effect on the level of data in the ERP application ALTEC.

PLANNING OF CONSTRUCTION WORKS

„Another area that we have dealt with was the planning of construction capacities. At the beginning, we learned from

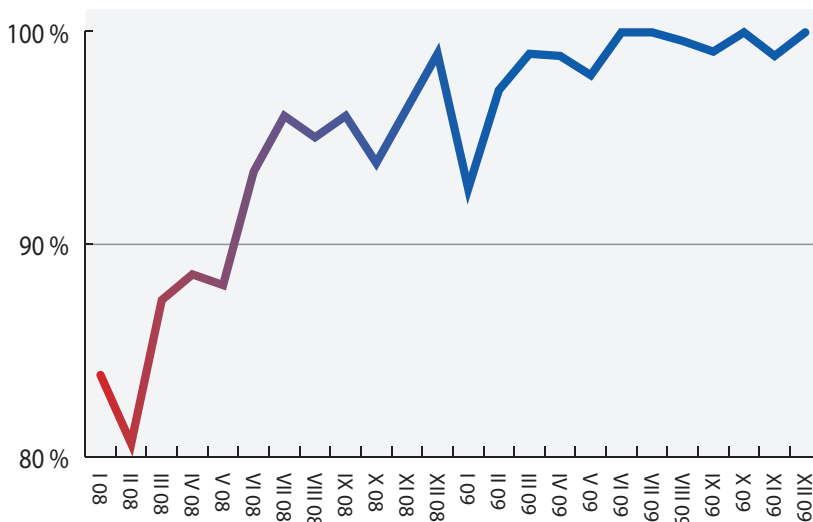


Jan Smítal
Production Director

LOGIS company representatives, that APS JDA is not usually used for planning of construction resources, mainly due to the time demands of creating the planning data. Yet, we managed to use this tool for construction planning. Now we can say, that the invested time and effort paid off, and that thanks to the application of construction planning in APS, we have a good overview of the capacity utilization of these key departments,” adds Ing. Filip Wrnata to the further development of the planning system after implementation.

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Delivery Performance overview



RESULT: IMPROVED BUSINESS PERFORMANCE

Ing. Jan Smítal, Production Director, summarizes the project results: „The planning tools of APS JDA Factory Planner reduced the average production lead times and inventory turnover, as well as reduced the response time to customer requirements. The implemented solution not only improved the planning process and the related control and logistics of production, but also supported the increased on-time reliability of supplies. Another big benefit for us was the reduction of excess material inventories, WIP and the costs of overtime and cooperation.

As can be seen from the chart of the stock levels, implementing the advanced planning system quickly

resulted in a significant trend of stocks decrease, which in the course of 2009 exceeded the reduction by 60%. It is necessary to say, that this trend resulted from a whole complex of measures, but the influence of advanced planning contributed to this outcome significantly.

One of the key performance indicators of the planning system monitored by our company is the parameter of fulfilling the production orders in the required time. Prior to the implementation of advanced planning APS, this parameter ranged from 80 to 95%. Less than a year after implementation of JDA Factory Planner, the delivery performance indicator parameter is consistently maintained above 95%.”

Ing. Tomáš Vojtík, Executive Director of the LOGIS company adds the following to the achieved results: „In fact, the excellent results, which the PAPCEL company achieved after the implementation of the project, did not surprise me at all. I had the opportunity to closely follow the works on the project thanks to my participation in the Steering Committee and I have to say, that it has been long since I encountered such a well-coordinated management that can justify their decisions and especially promote them. I believe that this fact contributed significantly to the success of the whole project.“





PAPCEL

The joint-stock company PAPCEL Litovel has been producing machinery and technological equipment for the paper industry for more than 60 years. More than 240 employees are involved in the projects.

All the necessary departments are available, offering a complete business support: commercial and technical services, design and engineering and technical and technological development, including a corporate testing laboratory, department of project engineering and management, and finally pre-production and production departments with all technical equipment required for machinery production. The company manufactures and supplies machines and equipment for complete lines of paper-making machines and for preparation rooms for paper production materials. It provides individual supplies, deliveries of complete technology, repairs, overhauls and refurbishments, reconstructions of production units and complete technological assemblies. For the supplied equipment, it provides spare parts and complete service. The production program is complemented with a possibility of delivery and complete reconstruction of second-hand paper-making machines.



LOGIS

LOGIS is a supplier of expertise services and information technologies focused on improving of business management and competitiveness.

LOGIS applies advanced managing and planning methods and procedures (so-called best practices), including high-performance information technologies Supply Chain Management (SCM) and Advanced Planning and Scheduling (APS). The projects are aimed to improvement operation excellence and customer satisfaction of LOGIS customers.

The used technologies are either proprietary or from i2 Technologies (currently the part of JDA Software Group). The company has over 60 clients in more than 25 countries worldwide. Learn more at www.logis.cz.

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