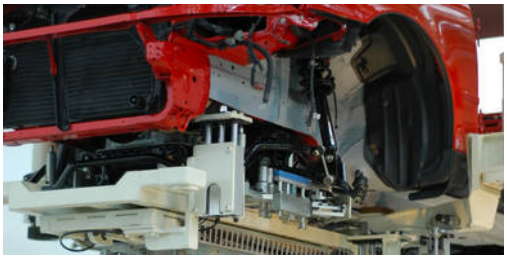
Customer Profile

Lacks Enterprises gains visibility with Infor Supplier Exchange



Facts at a glance

Product: Infor Supplier Exchange and Infor BPCS
Industry: Manufacturing & Distribution
Country: USA

"I can now see releases from my office desk or from my kitchen table. The ability to see them anywhere with a web browser is critical."

—Mike Pokrywka, Director of Purchasing, Lacks Enterprises

About the company

Lacks Enterprises is a global manufacturer and leading supplier to the automotive, telecommunications, and consumer electronics markets. Based in Grand Rapids, Michigan, this privately owned firm is composed of three distinct business operations: Lacks Wheel Trim Systems, Inc., a full-service supplier of automotive wheel components and systems; Lacks Trim Systems, a recognized provider of complex, highly decorated components and systems for the exterior automotive trim market; and Plastic-Plate, Inc., advanced technology specialists in plastic molding and plating for the interior automotive, telecommunications, and consumer electronics markets.

Setting the strategy

Given the growing challenges facing manufacturers focused on markets such as automotive, Lacks recognizes that streamlining and enhancing operations as much as possible are critical. One area that represents opportunity for continual improvement is supplier relations. "From a purchasing perspective, the company was seeking a supplier communications tool that was reliable and advanced," says Mike Pokrywka, director of purchasing, Lacks Enterprises. Having relied on faxes and legacy systems with limited electronic data interchange (EDI) capabilities, Lacks found that its suppliers were often not receiving its releases. This absence of transparency was leading to costly inefficiencies and expanding lead times. Communicating spikes or rapid decreases in demand to suppliers was difficult, and reconciliation issues would emerge when suppliers did not ship accurately.

The company realized that existing systems were limiting its ability to reduce and optimize inventories. To address inventory challenges, the company would need to track deliveries on a weekly and daily basis. Shipping and receiving groups would need the ability to scan inventories based on preprinted labels. Such advancements, however, would require investment in a new supplier relationship management system—one that could take operational performance to new levels.

Getting business specific

To address its supplier relationship and inventory visibility objectives, the company decided to turn to Infor™ to implement Infor Supplier Exchange. It was a relationship built on a strong foundation. Having implemented Infor BPCS 15 years prior, Lacks was familiar with Infor's offerings and service capabilities.

The Infor/Lacks team handled integration and launched a design phase to outline the key issues associated with bringing the systems together. After consulting with Infor to design the integration approach, Lacks was able to perform the technical integration to manage the data transfer from Infor BPCS to Supplier Exchange.

A "conference room pilot" launched implementation of Supplier Exchange. Lacks chose three long-term suppliers to participate. After a day-long training session, the suppliers were set up on the test site, which ran parallel to the legacy system. This allowed all parties to collaboratively work out technical issues and get the system running effectively. After several weeks of testing, Lacks held a supplier meeting, introduced the new system, and discussed the company's vision for enhancing supplier relations.

The central capability of the Infor Supplier Exchange system, says Pokrywka, is the visibility it provides. "I have releases on the system that I now can see from my desk, from my kitchen table, from any office," he explains. "The ability to actually see those releases anywhere with a web browser and a password is critical."

Beyond the ability to instantly view releases and receive advanced shipping notices, Pokrywka cites several key capabilities in the Supplier Exchange including premium freight management, printed label generation, and supplier performance management (defective material notices, delivery performance reviews, etc.).

Seeing results

With 40 suppliers on the Supplier Exchange system by mid-2009 and another 30 scheduled to be participating by end of year, Lacks Enterprises is proud of the advances it has made toward strengthening supplier collaboration and improving supply chain visibility.

While the rollout has been hampered somewhat by the necessity of adding "directed suppliers" (chosen by Lacks' clients for their specialized capabilities and often located offshore), the company is meeting its objectives in terms of supplier participation in the new system.

Pokrywka notes that the company and its suppliers are benefitting from the active sharing of information. Suppliers can now go on the web and obtain access to their releases. "It’s clear communication," he says. "They can see what we're doing. No one is losing faxes anymore. So it’s all been very positive."

With the introduction of new supplier labeling capabilities, Lacks also expects to enhance its inventory management efforts. Under the new arrangement, the company's receiving group can scan incoming shipments and account for inventory with far greater precision than it could in the past. This helps the company eliminate needless safety stocks and reduce costly inventory.

Meanwhile, the availability of advanced shipping notices has enhanced the performance of the company's materials team. The group now knows when a product is scheduled to arrive—a key factor in production when suppliers are located far from the company's plant. By reducing surprises that might lead to expedited customer shipments, the company is able to reduce premium freight costs.

One other important payoff associated with Lacks' investment in Supplier Exchange (and its integration with Infor BPCS) is the credibility it has built with clients. Pokrywka describes meetings with clients in the automotive sectors that have been deeply impressed with the company's advanced approach to supplier relationship management. As he explains, "I have presented Supplier Exchange as a continuous improvement tool, and every time I've shown it as an example of where we're headed, they are very impressed."

He believes such actions build goodwill with clients. "I think it shows that there's a commitment to continuous improvement at Lacks," he adds. "They see that we could have stuck to the old system, but instead we're moving forward, being progressive, and improving operational performance."

Doing business better

Looking ahead, Lacks Enterprises is focused on incorporating EDI capabilities within its Supplier Exchange system. The company also will be able to link receipts from scanned labels to its accounts payable—ensuring it pays suppliers based on receipts as opposed to invoices. And now that it has a consistent flow of data through the system, it will be deploying its supplier performance module.

Supplier performance reports will help the company determine which suppliers are delivering most efficiently and accurately, while identifying relationships that require improvement. To adhere to ISO 9000 quality standards, the company must rate its suppliers on a regular basis. While Lacks has evaluated suppliers twice a year in the past, it will now be able to assess them more frequently and objectively, making the process more transparent and effective.

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