



Customer Profile

Moba grows with lean manufacturing and Infor LN



Facts at a glance

Solution: ERP

Product: Infor LN

Industry: Equipment

Country: Netherlands

"Without Infor LN, we would have had difficulty continuing our current growth and we would not have been able to improve our service."

**—Erik Deunk, CFO,
Moba**

About the company

Moba is the world's largest egg grading, packaging and processing manufacturer. Besides the factory in Barneveld, in the Netherlands, which has 380 employees, Moba has factories in the United States (Farmington Hills) and China (Beijing). In addition, Moba has agencies scattered across the world. The company manufactures egg lifts, processing and packaging machines, transportation systems, a case packer, and a robot that sorts pallets.

Setting the strategy

Moba aspires to be innovative and progressive, and thereby aims to pursue the lean manufacturing principle. This aspiration has led the company to implement a new IT system that is more efficient on several fronts. The need for change was rooted in inefficient workings of the warehouse, which, prior to this change, formed a great bottleneck.

Moba was faced with an over-organized ERP system that caused an overflow of administrative processing steps, leading to inconsistencies and excessive use of paper. Also, the company struggled with long lead times. "The routing of most products consisted of up to nine steps, the duration of which could take seven weeks," recalls Jos Fessl, production and logistics director. Furthermore, the warehouse contained numerous half-fabricated products that were incomplete. There was also an excess of stock that was not organized in an orderly way. Consequently Moba came to the conclusion that it needed to make a radical change.

Getting business specific

To start, Moba tackled the entire process. The company's process has two components: repetitive and unique ones. The repetitive components, which account for 80% of the total, were reorganized. One example of this transformation is a two-bin system.

The unique components make up 20% of the total, and are needed to personalise the product according to the customer's requirement. Moba invested in these unique components by implementing new technologies, such as a laser machine. The producer of egg sorting and packing machines further invested in modern production techniques, which increased the company's strength.

"Whereas before 20 employees spent the entire day looking for the right product, now only 12 employees are involved, while doubling the level of production."

—Jos Fessl, Director Production and Logistics, Moba

Moba implemented a company wide strategy, which led to the following objectives:

- Optimizing the flow of products and the convergence of all activities
- Eliminating losses in the routings
- Simplifying the direction of products
- Only storing material in the warehouse when absolutely necessary

"This new approach was a true breakthrough," states Fessl. The manufacturing is organized so that every worker has his own set of responsibilities. Fessl says: "The manager of sheet metal is also a planner and controls the job preparation. He receives the drawings from the CAD system, which ensures that it passes through his department and finally gets delivered to the warehouse. Consequently, he is responsible for the entire metal processing cycle."

Using the new approach, only the most important materials were admitted to the warehouse. The two-bin system ensured that plastic objects no longer have to pass through the warehouse. Also, goods received from the suppliers and half fabricated products are not sent to Moba anymore. All these measures save substantial space and time consuming activities in the warehouse. Testament to these improvements is that the amount of occupied square meters has decreased from 4,000 to 1,700 square meters.

Finally, the company made an investment in the automation of the warehouse. Two plateau lifts, which increase efficiency, have been implemented. Fessl explains: "Whereas before, 20 employees spent the entire day looking for the right product, now only 12 employees are involved, while doubling the level of production."

Seeing results

Besides the reorganization of the company, another success factor was the effective implementation of new enterprise software: Infor™ LN. This software provides a solid foundation for the growth aspirations and the professionalization that Moba pursues. Erik Deunk, CFO at Moba, concludes: "Without Infor LN, we would struggle to continue to achieve the current growth of the company, and we would have been unable to improve our service." Thanks to Infor LN the productivity has increased and the production cycle has been reduced from several hours to a mere 10 minutes.

"Currently, information gets adjusted automatically, which helps employees to effortlessly find accessible and accurate information. The planning schedule of a mechanic, for example, used to be done in Excel. Nowadays, with the new system, graphic plan boards are used to automatically adjust planning changes. Employees are happy with the new role-based dashboards that enable them to browse through information swiftly and with ease, requiring less clicks and provoking a faster decision making process," says Fessl.

Infor LN has helped Moba to reduce:

- Costs
- Activities
- Routings
- FTEs allocated to the warehouse
- Distance occupied in kilometers
- Stock by 30% to 35%
- Errors
- Occupied square meters in warehouse from 4,000 to 1,700 square meters
- Amount of paper copies from 91 to 7

All of these changes have led to a significant increase in overall quality.

Doing business better

An absolute advantage, and one of the many reasons to implement Infor LN is the service module that supports Moba's maxim: "Service makes the difference". The company has improved insight into its clients, the machines' malfunctioning occurrences, and the recuperation period. This has led Moba to start offering service contracts for preventive maintenance.

The new ERP solution gives better insight into the company's bottlenecks. The system supports Moba in improving its service quality and eliminates errors.

Fessl concludes that from a financial and organizational perspective, Moba's turn around was a golden move. He emphasises however that "the complete transformation takes years."



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