

Customer Profile

PAMA supports international clients with Infor LN



Facts at a glance

Solution: ERP **Product:** Infor LN

Industry: Industrial Equipment and Machinery

Country: Italy

"With reference to customized order management, Infor LN is a decidedly superior product."

—Walter Loscalzo, IT Director, PAMA

About the company

PAMA boasts more than 80 years of expertise in the fields of machine tools and machines used to create diesel motors, turbine casings, centrifugal compressors, marine propellers, and wind energy generators. Established in 1926, the company is a leader in the market sector of large horizontal boring machines, and some of its most important clients are internationally renowned names in the fields of construction and systems. Based in Italy, PAMA has experienced remarkable growth in recent years—with earnings rising from €85.7 million in 2007 to approximately €160 million at the end of 2009—thanks in part to the consistent expansion of its international business activities.

Setting the strategy

A "make-to-order" company like PAMA requires enterprise resource planning (ERP) software that provides a global vision and monitoring of an order's entire lifecycle, from acceptance to the various design and production stages right through to delivery, as well as all aspects relating to post-sales.

PAMA had originally found an answer to these demands with $\mathsf{Infor}^\mathsf{m}$ Baan, which the company used successfully for many years.

However, PAMA continued to grow and expand—revenues increased fivefold over a five-year period, the number of employees doubled, two new factories were added, and five post-sales services business were opened abroad. It all added to the complexity of the business, and PAMA started to outgrow the capabilities of its earlier Baan ERP system.

Once PAMA decided to change its ERP system, the software selection process lasted six months, involving principal international vendors and other specialised, locally supported software vendors.

At the end of the software selection process, PAMA determined that Infor LN was the best product, not only for its particularly advanced order management functions but also because of its total cost of ownership.

Getting business specific

Two things were particularly important to PAMA: deep functional capability, especially in the area of order management, and the ability to support PAMA's various clients in international markets. In both these areas, Infor LN came out strongly.

With regard to the product, Walter Loscalzo, PAMA's IT director, has no doubts: "With reference to customized order management, Infor LN is a decidedly superior product."

In fact, Infor LN adapts to the realities of discrete manufacturing with a specific module—used by PAMA—that manages production work orders, but which can also be extended to manage a highly complex project, such as the creation of an aeroplane. In a single integrated environment, Infor LN provides real-time control of all aspects of order processing—from estimates, cost analyses, and earnings reports to installation and maintenance services—making integrated information available to the company's various departments.

As PAMA's IT director explains, another important element in favour of Infor LN was its Service module, which manages postsales support and assistance activities for clients. Prior to using Enterprise, the coverage of these services, which are extremely important for PAMA, was only possible through the addition of specialised external products. Instead, with Infor LN , a dedicated Service module covers the flow of assistance orders and interventions on the client's premises.

Seeing results

The migration from Baan to Infor LN took just over six months.

A few months after its introduction, Infor LN took on a key role in PAMA's information system, which includes about 20 other software products with which Infor LN interfaces. Today, approximately 200 users throughout the company use the system, except for the sales department, which works directly with a CRM solution. The departments working with Infor LN include purchasing, project management, procurement, technical, logistics, warehousing, engineering, expense, administration, manufacturing, and quality control.

Infor LN has not only become the foundation for a number of PAMA's activities as well as the storage space for information relating to these activities, but also an essential point of reference for a number of new projects. Loscalzo explains that PAMA currently has 26 new projects in the form of external web integrations that interface with Infor LN.

Included among these projects are the service web site for installers and the supplier web site. The objective of the "Andon Project" is to check, in real time—and report via the Internet—delays in production machines with respect to the processing times calculated by Infor LN. The production performance report and notification of problems relating to a specific machine are provided through graphics that display all stages of a work order, and compare the number of days and costs with respect to budgeted amounts. Infor LN also calculates the efficiency rating point percentages of various production processes.

Another project currently being developed, and with which PAMA is closely involved, is document management. This project has been made possible by Infor LN's object data management (ODM) functions, which will allow for electronic issue of documents (eliminating hard copies) and document storage within the management system.

Loscalzo comments: "Infor has provided support for the project with highly qualified consultants and experts throughout the company's departments, allowing us to achieve the results we had hoped for in record time, despite the fact that we introduced some changes during the course of the project.

"The project has been challenging, but we are beginning to see the rewards. After a period of hard work, expectations have been translated into reality and even earlier than we had expected. This is also supported by the positive opinions of colleagues who have noticed remarkable improvements in the work environment."

The company's CFO, Nicola Nicoletti, explains that the move from Infor Baan to Infor LN was helped by the fact that "we essentially remained in the same environment". He refers to the project's positive outcome as a great result, considering that "the new Infor LN was introduced during a period in which the company was already very committed to supporting demand that was experiencing significant growth."

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