

# **R S InfoCon Inc.**

**- Case Study -**

## **E-Kanban Implementation Reduces Shortages**



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## **Case Study: E-Kanban Implementation Reduces Shortages**

### **Solution Summary**

The client's manual Kanban system consisted of an off-line manual data management process using Excel and Access. This system was no longer suitable for their business needs. The dramatic increase in the number of Kanban cards led to an increased complexity for the users in manually maintaining the cards. To complicate the process, there was no real-time information available for open Kanban orders. Our study indicated efficiencies would be gained by using Kanban for placing purchase orders directly to the suppliers.

R S InfoCon implemented the e-Kanban solution and reduced product shortages by 90% along with a reduction in the cost of WIP by 70%. The client's return on investment was enhanced by R S InfoCon's ability to deliver a completed project within eight weeks.

### **Solution Profile**

Our client is a leading global provider of commercial cleaning and hygiene products. In the year 2006 they planned to upgrade their manual Kanban system to electronic Kanban system through their JD Edwards ERP system. The implementation process of Kanban in their ERP system needed to be developed in a systematic way in order to achieve desired results. The key actions included were:

- Removing excess waste and cost from the manufacturing process
- Improving flow and material delivery to point of use
- Successful implementation of Kanban process in the ERP system

The process began with carefully studying the client's current, manual Kanban system. The system used cards for 'replenishment from stock' for the consuming location. It was also desired to start the same concept for purchased items as well (i.e. replenishment from a vendor). After carefully studying the requirements, a two phase electronic Kanban system was implemented in the JD Edwards ERP system. Following an 8 week implementation process, the company achieved the following:

- The new E Kanban system resulted in a 90% reduction in shortages and 70% reduction in WIP (from 10 days to 3 days)
- Reduction in human errors
- Simple and fast creation of Kanban cards
- Automatic creation and faxing of Work orders and Purchase orders to the vendor; avoiding non value added activities
- Full transparency of current and actual inventory and Kanban orders
- Data management in a robust system

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The JD Edwards system offers three different sources of supply for the replenishment of requirements. These sources are:

- Stock Replenishment
- Vendor Replenishment
- Production Replenishment

### **Distinguishing Feature**

R S InfoCon strives to provide their clients with a strong return on investment when implementing customized solutions. We deliver custom configured solutions for every client, incorporating software modifications for strategic process gaps only. Our JD Edwards knowledge, proven methodologies and business solutions enable our clients to be successful. We are experts at training, mentoring, and knowledge transfer. Our goal is to implement quickly, provide knowledge transfer and turn over support to our client's staff.

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