



Energy Source

E-commerce solution boosts management of material requirements

In the electronics industry, continuous improvement is essential to being at the top of one's game. To continue meeting new challenges in such a competitive marketplace, operations management professionals must consistently refine supply chain processes. At electronic manufacturing services provider KimchuK, these kinds of improvements can be seen through the recent implementation of a highly effective e-commerce solution, which resulted in a significant upgrade to the firm's material requirements management.

KimchuK is a fully integrated manufacturing organization, specializing in solving production and engineering conflicts for Fortune 500 corporations. Services include product procurement, assembly, through-hole and surface-mount technology, in-circuit and functional testing, burn-in calibration, and complete fulfillment and deployment. The very diverse firm currently manufactures more than 350 products for nearly 20 different industries, with production runs ranging from small-product evaluation quanti-

ties up to 100,000-plus yearly runs. In addition, KimchuK maintains a repair and refurbish depot for warranty and nonwarranty services.

Employees pride themselves on being part of a full-service contract manufacturer, so honoring customer delivery promises with a quality product and competitive pricing is of the utmost importance. However, not long ago, leaders at this Danbury, Connecticut-based business found they needed an e-commerce solution to help them better manage material requirements with their suppliers, both in real time and online. They turned to ProfitKey International.

"After searching for an e-commerce solution to streamline the purchasing process, it was obvious that the market did not offer a reasonably priced, efficient, and effective model," says JoAnn Simon, director of program management for KimchuK. "ProfitKey listened to our needs and stepped up to the plate to work with us toward meeting those requirements."

ProfitKey provides KimchuK with manufacturing planning, manu-

facturing operations, and financial management software, as well as related services. The company has brought real performance and profitability improvements to KimchuK through the implementation of its Rapid Response Manufacturing software—a fully integrated product suite featuring enterprise resources planning, manufacturing execution system, advanced planning and scheduling, financial planning, quality management, e-commerce, and customer relationship management tools.

An intuitive solution

By teaming up with KimchuK and its primary electronic component provider, ProfitKey consultants were able to construct a collaborative product that meets everyone's needs. The Rapid Response Manufacturing software is user-friendly and intuitive by nature, and KimchuK leaders report that training staff members has been a relatively painless process.

The tool's open architecture enables easy report writing and gives end users the ability to write their



KimchuK employees assemble printed circuit boards on the surface-mount technology production line.

own reports without help from information technology professionals. Standard reports are written in Crystal Reports; plus, ProfitKey offers several Internet training sessions on how to write reports in any compliant tool. KimchuK employees were quick to use these powerful resources in the manufacturing arena, where basic computer skills often limit a successful implementation of new software.

“ProfitKey has helped us resolve issues with the software and continues to support us,” Simon says. “[The company] shows great flexibility on modifications and enhancements to our software needs. The ‘one-size-fits-all approach’ to software is definitely not a philosophy that ProfitKey adheres to. ProfitKey’s groups of experts have welcomed new ideas and have solicited feedback from KimchuK on the software to help constantly improve its product.”

On the production floor, KimchuK managers also have found the solution to be highly effective. It electronically reports labor time on the job, tracks

products throughout the system, and controls the dispatching of materials to the line. Plus, the document management feature has proven to be quite effective in managing drawings, diagrams, and other critical design documents on the production floor.

The solution ensures the latest and most accurate information is available to employees on their computer screens. This is especially valuable because KimchuK often offers both design and engineering of products, and the tool helps employees quickly change prototypes or make last-minute revisions without losing control of the documentation process.

Simon also notes that the system enables employees to enter orders, schedule and track jobs, manage inventory, prepare shipping documents, and insure quality control throughout the entire process. In addition, it helps them better manage capacity, such as labor, materials, machines and work centers.

KimchuK buyers also minimize labor-intensive phone work using the new software. No longer are they

required to verbally place each order and call in changes in delivery times or quantities. Now, when a customer delivery date is altered, KimchuK can immediately react to the evolving situation. Suppliers are automatically and simultaneously contacted with a single electronic broadcast, which takes mere seconds to accomplish. This is a big improvement, considering it previously would take hours. Additional benefits include minimized excess inventory and maximized cash flow.

Through the use of ProfitKey’s supplier portal, KimchuK has decreased purchase process time, improved response time to the end customer, been able to process change orders immediately, and reduced inventory. Employees also have been able to eliminate paper purchase orders for both parties. Finally, sales forecasting for suppliers has improved because the system ensures a continuous supply of electronic components.

Steady progress

Before implementing ProfitKey’s solution, KimchuK program managers had a tremendous chore in communicating among departments. Now, team members can locate customer information much more readily. Everyone can access a single source for day-to-day information on customer accounts, such as recent customer payments, jobs currently on the production floor, quality assurance memoranda, and stock availability. Information is shared companywide on the network. As KimchuK Program Manager Barbara Webb says, “You can find everything in ProfitKey.”

Simon says several new programs now are being implemented at KimchuK to create a more integrated enterprise system. She and her colleagues have seen valuable results, including reduced time and effort spent on the purchasing process and significantly enhanced customer satisfaction. She says, “We are extremely satisfied with the results of the e-commerce supplier portal and the solid improvements to our overall processes.” 