

AKG of America



About the company.

Located in Mebane, North Carolina, AKG of America, Inc. manufactures brazed aluminum heat exchangers for heavy industrial application markets such as construction, agriculture, mining, and forestry. The company employs about 350 people at its Mebane operation and is one of 11 manufacturing facilities around the world under the parent company AKG-Group. AKG of America specializes in custom-engineered solutions sold directly to original equipment manufacturers. Its client names include the likes of Caterpillar®, John Deere, and Ingersoll Rand.

To learn more about AKG of America, visit www.akg-america.com.

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RICK WHITE, PRESIDENT, AKG OF AMERICA

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Setting the strategy.

As AKG of America continued to grow by as much as 50% per year, the company quickly learned that its homegrown inventory software package could not keep up with the business, nor would the software continue to be supported or allow applications to be added to the database. To survive and thrive amid growing competition, AKG knew it needed to focus on improving its inventory accuracy, controlling production flow, and automating its process of maintaining information.

In searching for an efficient system, AKG named three top objectives. Rick Saunders, operations manager at AKG, explains, "We wanted an open system based on industry standards, and one that was packaged, not custom developed. We also needed a system with enough flexibility to sustain our growth in the future." The company was also looking for an application with good material requirements planning (MRP) capabilities that could handle multiple sites with easy communication between multiple databases, and one that could provide real-time information to handle shorter customer lead times. "We zeroed in on a company with a good track record of business success, and that would support us in the future with enhancements," says Rick White, president, AKG of America. "Another important aspect in our selection was to find a vendor who worked with good consultants to help us solve our problems and implement the system correctly and within reasonable time."

Getting business specific.

After evaluating multiple solution vendors, AKG narrowed its list to three finalists, eventually choosing Infor™ ERP VISUAL. Reasons for the selection were various. Saunders notes, "It's built on a Windows® platform—not based on older technology with added patches—and uses a standard SQL Server™ database using standard report writers. It also has an open architecture, and with our specialized needs, we're able to easily write routines, add reports, and place them on the shop floor in a nontraditional way so that the system can incorporate all the customizing we've done in the past and save us from redoing it."

facts at a glance:

> company	AKG of America, Inc.
> solution	Infor ERP
> product	VISUAL
> industry	Manufacturing & Distribution
> revenue	US \$100 Million
> employees	350; 2,500 worldwide
> country	USA

Saunders adds that another attractive feature of the Infor application is its advanced MRP capability, allowing rapid creation of shop orders in the plant. "It can also handle multiple sites in different ways so that it can be closely linked or loosely linked, depending on our specific business need."

Seeing results.

Since implementation of Infor ERP VISUAL, AKG has gained a host of benefits. The company uses Infor's core modules, financials, advanced MRP, EDI, and barcoding, which it established first at two plants in Mebane, then rolled out to the plant in China and another in South Dakota. Saunders adds, "With a consulting team of specialists at Visual South, Infor's partner, the implementation was smooth, especially considering the thousands of pieces of data we transferred from our old proprietary system, and it turned out looking clean and concise."

AKG began system training with a train-the-trainer approach, expanding to 120 users at the Mebane plant, and 25 each in China and South Dakota. Says Saunders, "VISUAL is user-friendly, allowing each person to view on one screen what competitive products would require five or six screens to see. I've noticed that even computer novices feel perfectly comfortable and at home using Infor ERP VISUAL."

Saunders attributes the resulting streamlined process and productivity gains to the open architecture, which he says allows easy system customization to drive the manufacturing floor. “All of our processes are now automated for maximum efficiency,” he says, “and employee productivity has increased tremendously. For example, one person who once spent eight hours a day chasing a particular inventory commodity no longer needs to do that at all. With Infor ERP VISUAL, our inventory turns have doubled, inventory accuracy has improved 200%, on-time delivery is four times better, and PPM (parts per million) defects have improved 100%.”

In addition to inventory accuracy, White adds, “Another crucial benefit is instantaneous access to real-time information for anyone dealing with customer information—orders, status, and possible changes to orders as business cycles get shorter. We can also look into the future and project whether we can meet business and production goals next year, in 5 years, and in 10 years, which is critical in this business environment. And as a global company, Infor understands best practices when integrating systems among multiple customer sites. We have more choices as we expand the application to other worldwide plants and integrate other Infor products in our company.”

An unexpected advantage from Infor ERP VISUAL that Saunders points out is flexibility in summarizing data in ways that the company had not even envisioned. “For example, in a few seconds I can see what we produced last month, last year, so far this year, and what we are scheduled to produce the rest of this year. It allows us to make good business decisions rapidly, compared to many weeks of evaluating data before we implemented VISUAL.”

White believes that AKG now has a huge competitive advantage during bid situations. “We have by far the best information system in our business segment. In today’s lean manufacturing and Six Sigma age with high quality goals, Infor ERP VISUAL has enabled us to take on projects in these areas and increase our sales. We leap over our competition in quality, delivery, and information for our customers.”

AKG takes a continuous improvement approach and constantly measures and sets goals to improve critical business factors: inventory turn, inventory accuracy, parts per million quality defects shipped to customers, and

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on-time delivery. Says White, “Our company has increased sales 100% year over year in the past 3 years, and we credit Infor ERP VISUAL for allowing us to do that. It’s allowed us to customize our system and work with our sister companies to meet not only our current needs, but future ones as well. We’ve had great success.”

In summary, Infor ERP VISUAL has helped AKG gain several benefits:

- Increased productivity—user-friendly, even to computer novices; allows easy customization to drive most efficient manufacturing process
- Doubled inventory turns, with 200% improvement in inventory accuracy
- 100% improvement in parts per million defects
- Improved customer service through immediate access to real-time customer information
- Improved business planning through easy modeling to project how to meet current and future business and production goals, and through summarizing of production data in any timeframe

Doing business better.

Future growth at AKG is easy to determine by using Infor ERP VISUAL, according to White. “After we implement the system at a new plant, we can rapidly gather information from it and determine the best places to open new facilities and business opportunities,” he says. “Infor is a dynamic company, and I’m impressed that it supports the mid-market to provide what we need, as opposed to focusing on only very large companies where it can profit most. We’re getting all the features that benefit us today and tomorrow.”

About Infor.

Infor acquires and develops functionally rich software backed by thousands of domain experts and then makes it better through continuous innovation, faster implementation options, global enablement, and flexible buying options. In a few short years, Infor has become one of the largest providers of business software in the world. For additional information, visit www.infor.com.

About Visual South.

Visual South sells and implements Infor ERP VISUAL and provides IT services, custom programming, report writing, and web development. For more information, visit www.visualsouth.com or call 704-721-6020.

Infor Corporate Headquarters
13560 Morris Road
Suite 4100
Alpharetta, Georgia 30004
USA
Direct: +1 (800) 260 2640

Contact your local Infor office regarding availability of products in your region.

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