

KING PLASTICS REDUCES COSTS, LEAD TIME, AND MANPOWER WHILE IMPROVING SERVICE WITH CYFRAME ERP



Background

King Plastics, located in Orange, CA, is a 55 year-old privately held company that manufactures injection-molded plastic food containers and lids for a variety of unrefrigerated, refrigerated, and frozen products typically sold in supermarkets. The company also decorates plastic containers and lids to customer specifications.

King Plastics' product line is produced utilizing 250 Ton to 650 Ton injection molding machines and state-of-the-art lid and sidewall printing presses; all in an hygienic environment where traceability, quality control, and cleanliness are of utmost importance.

Key Challenges

Prior to 2015, King Plastics employed a computer programmer who designed and programmed the company's IT systems, which at that time, consisted of order entry, invoicing, and accounts receivable.

That came at not only a high cost, but it also put the company at risk by having only one individual who knew how the systems worked and was the only one who could fix problems that might arise.

The programmer spent an inordinate amount of time keeping the home-grown system up-to-date with both application requirements and the latest IT platform. It was a revolving door to keep current with new requirements and changing technologies.

Thus, for both financial savings and to eliminate the dependence on one individual, a decision was made to implement a new operational system.

Why CyFrame?

Matt Chedister, King's Vice President of Operations, researched many alternatives and found CyFrame, an ERP system built specifically for the plastics industry to vastly out class other competitive systems based on their technology, focus on hands on change management and expertise in our niche market of custom injection molding.

Larry Lathrum, President of King Plastics, said, "When Matt found CyFrame, he thought it was an ideal company for us to zero in on because it was built primarily for our type of molding. What attracted me to CyFrame were both financial savings and eliminating our dependency on a single individual."

Midway through 2015, King Plastics replaced the in-house system with CyFrame for order entry, invoicing, and accounts receivable. Very quickly King Plastics realized that CyFrame could be a lot more beneficial than originally thought and they soon added inventory control, job costing, estimating and scheduling.

Today, King Plastics also uses CyFrame to monitor production speeds and scrap on a real-time basis.

Larry relates that he is so impressed with what he is getting out of CyFrame. He says, "I'm getting capabilities that I never had before and we are still pushing to gain more and more every day. CyFrame doesn't sell modular, meaning we have the full product offering so we continue to leverage their capabilities as part of our process improvement initiatives."

"Our scrap rate has been cut in half and production capacity has increased by 10%. That's no small feat for a company like us that needs to ensure we are getting the best possible throughput from our machines and resources."



CyFrame at King Plastics

King has a half dozen employees using CyFrame for order entry. As the order is entered CyFrame will check the inventory of raw material, colorant, and packaging material, and give an alert if any need to be re-ordered.

Another 30 people use CyFrame to monitor production. As they mold, a label is produced that describes what is contained in every box noting such things as type of material, the lot of material, the machine where it was produced, and the time of day that it was produced. The box is scanned when it leaves the production area and again when it is ready to be shipped.

"With CyFrame we have become a company with the highest levels of traceability accuracy and have done so without adding additional overhead."

Prior to CyFrame, King knew how many boxes were contained in every shipment, but they did not know what lot of material or color was being shipped. This led to a number of errors.

Larry says, "CyFrame will not let us ship the wrong item because we scan items as they are loaded on a truck. This prevents any possible mistakes, even if we are shipping the right item but accidentally scan for example a different color, CyFrame will sound an alert to prevent that box from being loaded."

"This has helped us reduce a lot of human errors and gives us the confidence even when we are in a rush that the right product goes out every time."

Benefits

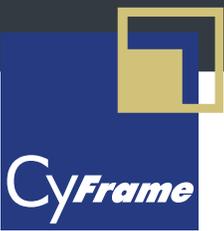
With CyFrame, King was able to eliminate the \$60,000 salary for the IT person. In addition, CyFrame helped King reduce a full-time position for a person who would go out to all of the machines and manually record production and scrap rates. Larry says, "That position has also been eliminated saving us an additional \$40,000 a year."

Larry cites an example for future savings. "We're coming up to times where our customers want a Certificate of Compliance which means that they want us to provide them with data on every shipment. Gathering and reporting that data would now require about \$20,000 per year in personnel costs. We know CyFrame will automate this process, saving us from adding labor in the future."

"Traceability is probably the single greatest improvement we attained that we hadn't originally anticipated." Says Larry. "Every one of our customers is a food processor. The larger the customer, the more they require high levels of accountability and traceability."

CyFrame has also played a major role in improving customer service. Larry says, "With CyFrame we are more prompt in answering customer inquiries, such as an order status. Before CyFrame we would have to get up out of our chairs and go find the person who keeps all of the completed order data and then they would have to look through their paperwork and say 'yes it's done' or 'no it's not done.'"

"Conservatively, we are saving over 15% of the time to answer these types of questions and even better than that, it gives us the chance to show our customers are on the top of our game every time the phone rings."



ERP Solutions for the Plastic Industry

"With CyFrame we can see where we are with any order on the fly without speaking to anyone."

"A huge benefit to the organization has been realized in the production planning arena. "At King Plastics" says Larry, "We make so many different SKU's with varying secondary operating like decorating that really made it difficult to plan and optimize production."

"This month we are implementing quality control testing that will ensure we can automate our quality controls in the lab and produce Certificates of Assurance documentation at shipping automatically which will help us to better serve our niche markets without adding complexity or additional overhead to the process."

"Today, when it comes time for us to schedule secondary operations, like printing for a certain size container, We use CyFrame to show us every open order we have for that container. We can then schedule them all together and realize greater efficiencies while we're printing."

Larry also has high praise for the CyFrame people. He says, "I couldn't be any more pleased to work with a company that understands what we're asking of them and then their giving us options on ways that will best work for us within the scope of our client expectations and our vision."

"What is so enjoyable is in their willingness to adjust things for us based on specific objectives and even our corporate culture. It seems like they are a King Plastics strategic alliance partner and I truly consider them an extension of our management and technology team, and at a fraction of the cost to try to take on those types of resources internally."

Larry says, "I would very highly recommend CyFrame to others in any custom molding operation, it is a very cost-effective ERP whose scope goes beyond just software. I expect to continuously leverage that relationship as an important part of our continuous improvement initiatives."

Larry sums it all up by saying, "The power of the CyFrame system and their team of experts is well-beyond anything that I would have imagined or could have attained on our own, with any budget. I would buy it again if I didn't have it."

