Case Study

PRECIMOLD SIGNIFICANTLY IMPROVES PRODUCTION CAPACITY AND MARGINS

PRECIMOLD
QUALITY - PRECISION - RESPECT

CUSTOMER PROFILE

Name: Precimold Inc., Candiac (Montreal), Quebec

Founded: 1966

Key Focus: specializing in small, custom, precision single- and multi-cavity and family molds and components; .0005 to 500 grams

Industries: medical, pharmaceutical, life sciences, automotive, aerospace and military

Manufacturing plants: 1 plant, 48,000 sq. ft.

Injection Molding Machines: 20

Cleanrooms: 1 X Class 10,000; 4 X Class 100,000

Employees (total): 74 to 80

Product lines: 400 molds, of which 200 are active

Customers: 35 (Canada, U.S., Mexico, Switzerland, Germany, Denmark, Brazil, Korea, elsewhere)

Currencies: 3 ($C, $US, €)

KEY CHALLENGES

1. Impossible to determine company/component profitability
2. High backorder rate due to production planning issues
3. Delays due to manually managing order, inventory, production and delivery
4. Inaction and inertia due to lack of business intelligence and related reports
5. Outdated, inaccurate, manually-entered data; often inaccessible, difficult to locate
6. 100% manual, paper-based system & legacy digital data storage were virtually useless

THE SOLUTION: CYFRAME

Benefits:

1. Return to profitability, 5 to 10% price increases on money-losing components
2. Slash backorder rate by 80% with improved production planning
3. On-time delivery thanks to integrated order, inventory and production scheduling
4. Relevant, timely business decisions and actions based on superior intelligence and reports
5. Live, accurate data, automatically populates, cascades; accessible simultaneously, anywhere & anytime
6. Plastics-specific, off-the-shelf ERP is invaluable and absolutely essential

THE RESULT

At Precimold, improved profitability and enhanced customer service were realized just months after implementing CyFrame's plastic-specific, off-the-shelf ERP.

"CyFrame has helped us run Precimold more profitably, significantly improve our customer service levels and put us in control of our new business," says Jack McDonald, owner, president and serial entrepreneur, who bought Precimold in November 2016 knowing he'd immediately replace its pen-and-paper, hand-written, color-coded data and filing systems.

After 30 years as an owner-operator, McDonald knew he needed a comprehensive, plastics-specific ERP because he'd always relied on digital and automated record keeping and accounting to run his businesses.

"Our CFO is beyond thrilled we finally have the data and reports required to do the necessary analysis," says McDonald.

CyFrame tracks all production (e.g. raw material, mold usage, set-up times, reject rates) and operating costs to determine Precimold's profitability and validates components' and customers' bottom-line benefit to Precimold.

Armed with unassailable cost data from CyFrame's ERP, Precimold has negotiated price increases of 5 to 10 percent on certain products with customers who had previously refused such discussions without tangible proof in the form of timely ERP reports.
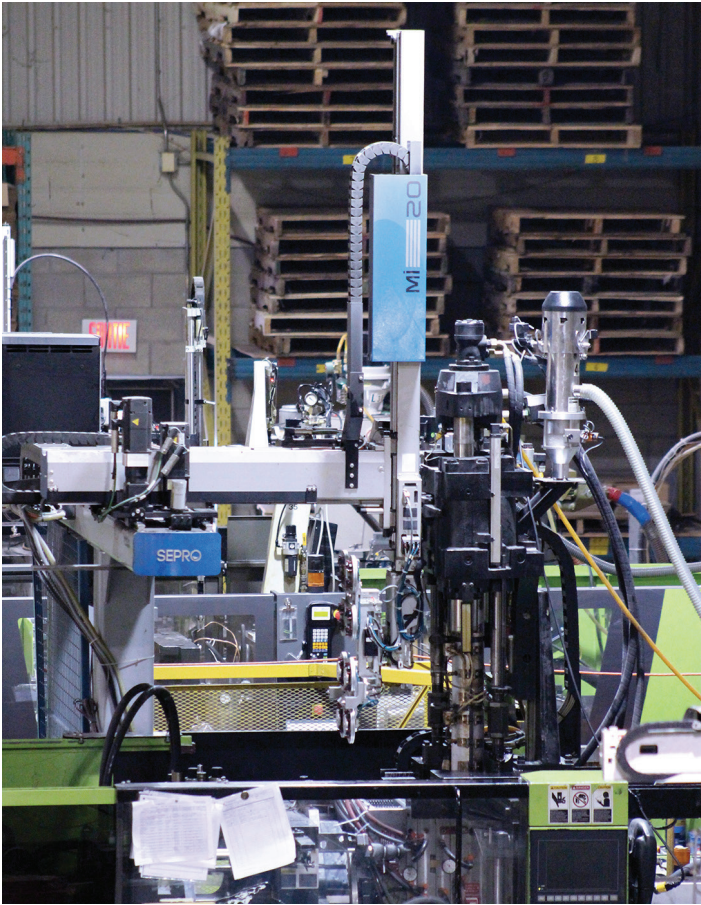
> *"Customer satisfaction has been improved and backorders are down 80%. Now we have simultaneous access to live, accurate data needed to schedule production months ahead."*

As importantly, customer satisfaction has been improved and backorders are down about 80% because Precimold employees now have simultaneous, anytime, anywhere access to the live, accurate data they need to accurately schedule production months ahead. Previously, they relied on a massive board that had space for just four weeks of scheduling as well as the information stored in various employees' heads.

CyFrame's ERP knows when a mold is being repaired and when it's ready to go back into production. It also knows which injection molding machine is best for a particular job, when it's available and whether it can handle the volume. In addition, the ERP knows which auxiliary equipment is needed to produce that component, for example, a cool, heated or dry resin mold or grinder and schedules production accordingly. In the past, production starts were often delayed because an employee yelled: "Stop! Wait! We can't make this component without that piece of equipment which is already in use on the machine over there…"

Why is CyFrame's system so effective? It was developed for the plastics industry by people who had decades of plastics-industry experience.

As well, since CyFrame was founded back in 1987, it has constantly evolved and finetuned its ERP based on customer feedback and the industry's evolution and ever-improving best practices. McDonald found that dealing with the CyFrame team prior to purchasing the ERP proved an unexpected, yet valuable, plastics-industry learning opportunity.

"CyFrame's ERP system works so let it guide you", says McDonald. "Stick with their systems and processes rather than over-thinking and over-complicating it which is human nature."

To date, McDonald has found that employees' attitude toward the technology depends far more on attitude than age. A number of his set-up experts "jumped right in like fiends and were immediately thrilled with it", while others have been more resistant. Executives and managers need to manage employees' fear of ineptitude by providing the necessary training and support. McDonald also suggests showing them how the ERP takes on the tedious, repetitive administrative and analytical tasks to make their jobs easier and give them the opportunity to work at a higher level.

"It really is incredibly easy to use if you're willing to give it a chance and just try it, CyFrame' ERP was built to reflect a day in the life of an injection moldxing shop so it's pretty intuitive and logical."

"Precimold had to hope the information in employees' memories and paper records was accurate and that we'd be able to access it when needed, but as often as not, they had so much to do, they'd forget to record it, write or input it inaccurately or misplace the records," says McDonald.

CyFrame's ERP pulls the data directly from the molding machines, and organizes purchasing, inventory, maintenance and repair. It takes just a few clicks for Precimold staff to select a standard or custom report with detailed analysis, then request and run it.

"We can respond to employee and customer queries instantly because the data and reports are literally at our fingertips," says McDonald, who notes the fact the plastics industry was new to him made a plastics-specific ERP even more of a priority.

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