



Lakeside Plastics excels during industry downturn with Epicor ERP software and real-time manufacturing execution system

Company Facts

- ▶ Location: Oldcastle, Ontario, Canada
- ▶ Industry: Manufacturer of Injection Molded Parts for the Automotive Industry
- ▶ Web site: www.lakesideplastics.com

Success Highlights

Challenges

- ▶ Implement an ERP system to manage the business and strengthen supply chain management
- ▶ Improve control of production with real-time information from the shop floor

Solution

- ▶ Epicor IVP, an integrated ERP software system for discrete manufacturing
- ▶ Epicor Mattec MES, manufacturing execution and real-time production monitoring system

Benefits

- ▶ General Motors Supplier of the Year in 2009 and 2010, resulting in a 15% increase in business
- ▶ Consecutive Johnson Controls Top Supplier Performance Awards from 2008 to 2011
- ▶ Saved \$120,000 in defect penalties annually, went from 25 parts per million to less than 1 part per million
- ▶ Eliminated approximately US\$50,000 annually in expedite charges
- ▶ Integrated all systems to provide built-in production alerts



Lakeside Plastics

An award-winning General Motors supplier, Lakeside Plastics is a manufacturer of injection molded thermoplastics for the automotive industry, including interior trim, door panel inserts, door handles, and exterior trim parts. As tier-one supplier for General Motors, Lakeside Plastics has provided key interior components for several GM models, including the Chevrolet Camaro, Impala, Malibu and Traverse crossover. Lakeside Plastics operates out of three plants in Southwestern Ontario and employs approximately 300 people.

Successful ERP implementation leads to continuous improvement

Faced with shipping errors, inventory accuracy issues and weak supply chain management, Lakeside set out to find an enterprise resource planning (ERP) system that would help them solve their issues and strengthen enterprise-wide control. The solution selected was Epicor IVP, an ERP system developed for discrete manufacturers in intensive supply chains, including plastics and rubber. The IVP system manages financial operations, EDI, inventory, materials planning and order processing.

After the successful ERP project, Lakeside knew that they needed to continue their improvement initiatives to stay competitive. Lakeside decided to look



into real-time production monitoring to combat the automotive industry's dual supply chain challenge: razor-thin margins on parts coupled with tight delivery deadlines.

Lakeside was looking for a solution that would meet three major criteria:

- ▶ Integrate with existing IVP system to provide real-time production reporting and management of the shop floor equipment and processes
- ▶ Improve tool and equipment production by capturing and measuring Overall Equipment Effectiveness (OEE)
- ▶ Provide shop floor managers and equipment operators timely and accurate information.

Top floor integrates with shop floor

To add to Lakeside's impressive results in automating the key points of their supply chain, such as improving their inventory accuracy, Lakeside decided to implement Epicor manufacturing execution system, Mattec MES. The system eliminates the need for manual processes, and provides real-time production monitoring and control. Mattec MES integrates with IVP ERP system to provide a clearer picture of operations on the shop floor and to enable more accurate planning and execution to meet customer demands.

Operating at peak efficiency

In the past, workstations were islands of information. Now, Mattec MES automatically adjusts shop floor processes to meet target production outputs that are dictated by the automakers' supply chain systems, taking the guesswork out of which machines and operations should be working at any given moment.

"With the addition of Mattec MES, I can tell at-a-glance which machine is making a particular part, where they are in their production schedules, and whether they will meet performance and output targets," says Todd Musson, Plant Manager.

"Workload balancing is automatic and set according to our business rules."

"From the Mattec MES touch screen, operators can respond to directives from the automated production system, request printouts of shipping labels or notify shop managers of problems," says Musson. "Operators use the screens to log in and out of the system, which provides operator tracking. If a run of parts is canceled or a change needs to be made, the system can alert the operators immediately and simultaneously."

The machines send directly to Mattec MES data about their operating status, the volume of production they are capable of versus current output, how long the equipment has been running, what part profiles have been created, and various quality measurements that are created when parts are made.

"Processes and schedules are no longer created from estimates; they are created based on real data about past history, capacities and the ability of both our people and machines to meet objectives," says Musson. "In short, Lakeside Plastics is able to operate at peak efficiency without wasting any time, materials or labor."

Enhanced tool management

In the past, much of the information captured from the production equipment was captured manually. If there was a problem—either with production quantity or quality—shop floor managers would find out about it a day later, often too late in the fast-moving automotive industry. With Mattec MES, tool operators receive constant feedback about the performance of the equipment.

"Our tool operators receive alerts and communications that help them make informed decisions about managing the tool," says Musson. "Mattec MES automatically pushes information to the molding tools about part profiles, quantities, even part colors. Operators don't have to refer to paper-based production schedules; production is automatically controlled based on the need to satisfy demand."

Elimination of defects and expedite charges

Shipment errors can impact the entire production line. Fees to expedite part shipments can run into the thousands of dollars for each error, and several manufacturers will issue fines to their suppliers for exceeding defect tolerances.

"The combination of IVP and Mattec MES systems has practically eliminated expedite charges, because the plant is coordinating delivery before production even begins," says Eric Kettunen, Warehouse Manager. "Now, we simply don't miss production targets, so parts don't have to be made in a rush; they are part of an ongoing managed, real-time production line. The net savings of eliminating expedite charges is approximately US\$50,000 annually."

"With Mattec MES we've reduced our defect rate from 25 parts per million to 1 part per million, a world-class rate that puts us on par with the most demanding manufacturing standards. As



a result, we've eliminated penalties for production errors, saving approximately US\$5,000 per error," says Ryan Lowrie, Quality Engineer.

Award-winning supplier

Shortly after implementing Mattec MES system, the automotive industry faced its most significant challenge in its history. "GM needed to be able to more closely match demand for cars with ability to build them," says Glenn Coates, President of Lakeside Plastics. "They needed to carry virtually no inventory, yet still produce cars quickly and cost-effectively. They used Lakeside Plastics to meet their needs during the turbulent time, and in recognition of our contributions, awarded us with the coveted GM Supplier of the Year Award in 2009 and 2010."

Lakeside Plastics also won the Johnson Controls Top Supplier Award four years in a row from 2008 to 2011. Earning the supplier of the year distinctions has led to a 15-percent increase in business. Furthermore, during the unstable time in the industry, Lakeside Plastics has actually been able to hire approximately 100 employees to fill the increased demand.

Competitive advantage

Discrepancies between production schedules and actual output and productivity have now been eliminated. Production can quickly be shifted to accommodate changes required by the automakers' production systems. The entire plant responds faster, with improved quality of parts and reduced waste due to errors.

"With Mattec MES, we can automatically plan and execute production schedules that maximize the plant's potential, allowing us to go after new business and meet demanding customer expectations for quality and on-time delivery," says Coates.

But more importantly: "Epicor has enabled Lakeside Plastics to not only survive during the most difficult years of the automotive industry; it has provided the company with a competitive advantage that has allowed us to grow and expand. We're now even better positioned as a trusted supplier that is willing and able to adapt to meet the ever-evolving needs of the industry and the automakers."

About Epicor

Epicor Software Corporation drives business growth. We provide flexible, industry-specific software that is designed around the needs of our manufacturing, distribution, retail, and service industry customers. More than 40 years of experience with our customers' unique business processes and operational requirements is built into every solution—in the cloud, hosted, or on premises. With a deep understanding of your industry, Epicor solutions spur growth while managing complexity. The result is powerful solutions that free your resources so you can grow your business. For more information, [connect with Epicor](#) or visit www.epicor.com.



Contact us for more information on Epicor Products and Services

+1.888.544.6315 info@epicor.com www.epicor.com

Corporate Office
804 Las Cimas Parkway
Austin, TX 78746
USA
Toll Free: +1.888.448.2636
Direct: +1.512.328.2300
Fax: +1.512.278.5590

Latin America and Caribbean
Blvd. Antonio L. Rodriguez #1882 Int. 104
Plaza Central, Col. Santa Maria
Monterrey, Nuevo Leon, CP 64650
Mexico
Phone: +52.81.1551.7100
Fax: +52.81.1551.7117

Europe, Middle East and Africa
No. 1 The Arena
Downshire Way
Bracknell, Berkshire RG12 1PU
United Kingdom
Phone: +44.1344.468468
Fax: +44.1344.468010

Asia
238A Thomson Road #23-06
Novena Square Tower A
Singapore 307684
Singapore
Phone: +65.6333.8121
Fax: +65.6333.8131

Australia and New Zealand
Suite 2 Level 8,
100 Pacific Highway
North Sydney, NSW 2060
Australia
Phone: +61.2.9927.6200
Fax: +61.2.9927.6298

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