

SI FLEX Improves Supply Chain Visibility, and Materials Management

Inside your mobile phone, camera, optical pick-up or VCR, you may have a component made by SI FLEX. The company is one of the largest and most dynamic manufacturers of Flexible Printed Circuit Boards (FPCBs) in Korea. SI FLEX is a Tier 1 and/or Tier 2 supplier to industrial giants, including Samsung, LG, Sony, Sanyo and Hitachi.

SI FLEX was challenged with efficiently managing their warehouse operations while accurately tracking inventory from logistics through production. Complicating matters further, the manufacturing process uses many chemicals, some of which could be harmful and dangerous to both employees and the environment. Rapid growth had hampered the company's ability to institute optimal materials handling and management procedures. Managers had difficulty determining current inventory levels, including the quantity of chemicals on hand. Without this visibility it was difficult to know which materials were approaching safety stock levels, to then trigger a manual process to order new materials. The company went looking for a solution.

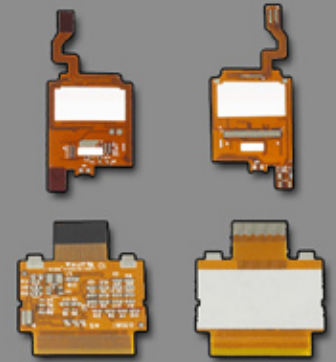
FlexNet Picked as a Multi-site, Adaptive Solution

After reviewing cost, time to deploy and adaptability requirements, Apriso FlexNet was selected as a 'best of breed' supply chain execution system. According to Hangmin Cho, Manager of the Management Information Team at SI FLEX, this decision was based on the three factors: "First, Apriso's solution is extremely flexible, making it easy for us to quickly change processes in response to shifting market conditions. Second, it is extensible, so can handle all operations, from logistics to manufacturing. Third, the system supports both global and local policy creation, helping us to integrate distributed operations between factories located in Korea and China."

The Apriso FlexNet system established a platform for business processes, providing visibility and control over supply chain operations at SI FLEX. Business processes pertaining to materials tracking, confirmed receipt against Purchase Order, picking, goods movement, returns to vendors and consumption are now established and maintained within FlexNet. As an integrated IT system component, FlexNet seamlessly distributes these operations processes to the warehouse.

Real-time Visibility across Supply Chain to Operations

SI FLEX's new system automates supply chain management processes while providing visibility and control over operations. Real-time visibility to inventory levels facilitates easy tracking of actual performance to plan. The reporting capabilities of FlexNet allow for improved performance, by demonstrating how processes are completed and where potential bottlenecks might occur.



Benefits Achieved

- Availability of real-time data to track materials quantities and inventory status
- Inventory shortages were dramatically reduced, resulting in few 'emergency' orders
- Management has accurate reports on trends across the supply network, including outsourced operation

Alerting capabilities provide automatic notification when materials drop below preset stocking levels. Employees are then automatically instructed to place new orders, avoiding unnecessary production down time from poor planning. Chemical materials transactions are tracked in near-real time with barcode labeling – in an outside warehouse using wireless PDA devices – and within two internal warehouses using desktop PC technology. With such a tight inventory control and management system, overall idle inventory levels have been reduced, ‘freeing up’ time and resources for deployment at other divisions of the manufacturer.

Better Regulatory Compliance

Another significant improvement has come in compliance with government environmental regulations. Local government agencies require monthly reports of chemical material usage, something that was problematic for SI FLEX prior to the Apriso implementation, and involved manual processes, which tended to lack a strong audit trail.

Now, however, FlexNet provides accurate information on all chemical handling. The system monitors which materials are picked, by whom, when, and in which work center the materials are used. Detailed reports are created with a click or two of a mouse. This permits greater accountability and traceability, and ensures greater safety for workers throughout their work environment. Should a future chemical issue arise, SI FLEX will contain the problem quickly, thereby minimizing potential risk to employees, the environment or exposure to a production delay.

Further Expansion

SI FLEX is undergoing a broad IT infrastructure upgrade, with the implementation of other enterprise applications, including an SAP Enterprise Resource Planning (ERP) system. Part of this expansion includes plans to extend their Apriso FlexNet footprint across the enterprise. Soon, FlexNet will automate SI FLEX’s materials transactions, overseas operations, packaging and fulfillment operations, serving as a global manufacturing operations execution and management system.

About Apriso

Apriso Corporation is a software company dedicated to helping manufacturers achieve and sustain operational excellence. Apriso serves 180+ customers in 40+ countries across the Americas, Europe and Asia. Learn more at <http://www.apriso.com>.

“By leveraging the flexibility of FlexNet’s design, it was easy to customize individual plant conditions while at the same time retain global best practices. This means that we have the best of both worlds – standardization of procedures that are proven to be successful, yet also the freedom to adapt these best practices when appropriate.”

Hangmin Cho
Manager,
Management
Information Team,
SI FLEX