

IFS helps increase the productivity of Armatury Group a.s.



By implementing IFS Armatury Group has been able to simplify its production and integrate business-critical processes such as engineering and manufacturing. Other significant benefits include greater, real-time cost monitoring and considerably enhanced production planning.

Legacy system unstable as data volumes grew

When Armatury Group a.s. was founded 2000, it implemented business solutions from Navision as its corporate information technology solution. After an upgrade in 2002 the company's legacy solutions proved to be unstable with respect to the increasing volume of data that was being generated as business grew. After implementing MIS and controlling applications, the data retrieved from the legacy applications continued to show inaccuracies, especially in respect of stock records.

However, the most serious problems were found in cost evaluation for orders and production planning. In 2004 the management of Armatury Group made a decision to put out a tender for new, more comprehensive enterprise applications that would be capable of handling greater complexity. The response to the tender was strong, and despite stiff competition from domestic and international enterprise applications vendors, IFS won convincingly. Two aspects of IFS' excellence stood out. One was the high level of quality of the functionality in IFS; the other was the committed, helpful attitude of IFS' staff during the tender process.

About Armatury

Armatury Group a.s. was founded in 2000 by merging three companies operating in the Czech and Slovak markets. It continues in the more than 100-yearold tradition of industrial production in the Hlučínsko region. The company develops, manufactures, sells and services industrial valves, and distributes pumps and metal products. Cooperation with strategic partners offers solutions for building and reconstructing technological units for customers worldwide. It has distributors in the Slovak Republic, Poland and Russia.

The company is ISO 9001-certified and has been awarded the certificate of the Russian Federal Mining and Industrial Inspectorate (Rostekhnadzor) for the supply of high-pressure valves.

Implementation on schedule

The implementation, divided into several stages, was initiated in February 2005 and was fully operational on the planned go-live date of January 1, January 2006. One of the key goals of the implementation was streamline production preparation and production planning. One of the important benefits of the new information system is the ability, in the engineering process, to successfully set up integration with and data transfer from SolidWorks, 3D CAD design software. This includes engineering links to the list of technological details in the product data management component in IFS. This solution significantly simplified processes in this stage of the manufacturing process.

“The implementation was not without its difficulties, but we and IFS worked like partners on the project. So despite the issues that arose, we were able to stay on schedule thanks to the efforts of the specialists from IFS Czech and Armatury Group. Although the volume of sales rose dramatically both during and after the implementation—in 2005 sales were 830 million Czech koruna (CZK), in 2006 they reached CZK 900 million and in 2007 they amounted to CZK 1.5 billion—the applications meet all the requirements we specified, and key issues have been resolved to our complete satisfaction. In addition, the financial budget was followed in spite of the fact that a number of extensive customizations had to be carried out,” says Ondřej Benda, MBA, company financial manager.

IFS helps us to gradually improve our productivity in the long-term. We are improving the overall competitiveness of the company by simplifying production processes and by being able to analyze the real costs per order.”

Ing. Mgr. Ondřej Benda, MBA,
Chief Financial Officer

Better production planning and cost control

The manufacturing process in use at Armatury Group is shop order production. In this production environment, it is quite common to contract an order with the requirements for special valves, for example, for which there exist neither engineering



Ing. Mgr. Ondřej Benda, MBA, Chief
Financial Officer

Benefits

- Simpler production processes
- Integrated construction, technology and production (Solid Works directly with IFS)
- Shop order evaluation according to real costs
- Better production planning

drawings nor specified technological procedures. For production planning there are so-called “phantom items”, which replicate similar orders from the past. IFS has significantly helped to improve the production planning process, mainly because it enables the real costs of an order to be evaluated with high levels of accuracy and data quality. All shop orders are entered and planned in so-called Dynamic Order Processing (DOP) structures. It is possible to carry out and monitor all kinds of cost calculations for each shop order, including all its levels, and precisely evaluate the start of real costs per order as well as deviations from the plan.

Future plans

Armatury Group is planning to extend its use of bar codes in warehouses (nowadays bar codes are already used in the manufacturing process). This will be an extensive implementation because the company has somewhere in the region of 600 million items of warehouse stock and 190, 000 different cards that contain a complete range of items of different shapes and sizes. Apart from other things, Armatury Group will have to solve the placement of code labels on products that go through all the production stages (treatment, painting and packaging) in the manufacturing process.

After this, the next critical task is to implement functionality that will enable incoming vendor invoices—and the workflow related to them—to be managed electronically.

Software

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IFS Distribution™

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