Ven-Tel Plastics Corporation

DTR™ ERP

The Need for Speed

For decades, savvy plastics manufacturers have known that automation—in its many forms—is an effective business strategy for increasing productivity and output while maintaining competitive margins. But it can be tricky. So, Ven-Tel Plastics Corporation looked for a solution to manage the way it went about introducing automation to its facility.

Largo, Fla.-based Ven-Tel specializes in precision injection molding of thermoplastic and thermoset products for several industries, including the medical, electrical, automotive and aerospace fields. Despite strong product demand and robust growth, Ven-Tel decided to re-evaluate its business plan and management systems to identify methods for further operational improvements. According to Randy Drake, Ven-Tel's vice president of finance, increased automation was the most logical solution. It became apparent, however, that Ven-Tel's enterprise resource planning (ERP) system was not capable of supporting this growth initiative.

Finding a System That Worked

"You can't just all of a sudden become so technological that you displace your people. That would really upset the balance of the workplace. But we were in need of computerized assistance," said Drake. "We knew we needed more than an off-the-shelf ERP system. We had a decent investment in a Windows-based product, but our growing operations demanded higher-level automation."

Drake added, "As a plastics molder, we process an endless amount of material to produce tiny parts in varying shapes and sizes. But the system we had in place couldn't account for parts that might weigh as little as a few grams. We were forced to manually manipulate data in order to track output, which could amount to millions of parts.

It was all too clear that we needed a more powerful software package that would automate production tracking and other functions."

ROI at a Glance:

Ven-Tel Corporation, a precision injection molder of thermoplastic and thermoset products for the medical, electrical, automotive, lawn and garden, marine and aerospace industries, achieved significant return on investment within the first year of using DTR Plastics software, including:

- Increased profitability through improved reporting and cost accounting.
- Achieved process improvements that afforded operations expansion and additional staff.
- Streamlined production through meaningful reporting.
- Established accurate production standards and projected item costs.
- Identified actual overhead, labor and material expenses on regular basis, impacting both profitability and sales efforts.
- Transformed a manual system of tracking inventory into one capable of increasing and relieving inventory at production points.

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— ***Randy Drake***, Vice President, Ven-Tel

Searching for replacement software (yet disillusioned by general ERP programs that boast manufacturing functionality but fail to deliver), Ven-Tel decided to evaluate DTR from Consona . The product of more than 20 years of plastics-focused software development, DTR was designed to provide industry-specific manufacturing, distribution and financial management solutions for the unique needs of plastics processing manufacturers.

"To our satisfaction, we saw in DTR an affordable package that understood the scheme of our manufacturing process," said Drake. "DTR understood pounds of material and grams of parts, was able to increase and relieve inventory at production points, and could handle higher-level mathematics and numerical translations automatically."

Easing Into Automation

Ven-Tel purchased the DTR software in late 1998, but opted for a slow transition in order to take full advantage of the system's ability to capture and reorganize the company's scrambled data. While only one third of manufacturing was operational under DTR in 1999, Ven-Tel realized an immediate return on investment through key process improvements, even though the transition was not yet complete.

The company was running its business more efficiently through increased automation of manual tasks, as well as enjoying increased profitability from improved reporting and cost accounting. What's more, process improvements allowed the company to expand its operations and ultimately hire additional staff.

"Historically, we've had to physically go down to the shop floor to review what was produced during the prior day's shifts to generate reports. Running three shifts a day, seven days a week, it was difficult to assign accurate productivity accountability. Manual computations for multiple machines and numerous jobs made it nearly impossible to identify either production efficiencies or waste," said Drake. "We didn't have the ability to extrapolate the pertinent information needed to make appropriate process adjustments."

"Now we're in a position where our reporting procedure automatically and accurately reflects the manufacturing process. Using DTR, we not only have automated output tracking, but we're able to monitor all aspects of production. With this information, we've been able to set specific operational goals and implement targeted action plans to effectively reduce scrap and capitalize on efficiencies. This, in turn, has increased production."

According to Drake, Ven-Tel was encouraged by these immediate improvements, yet had only begun to realize the capabilities the software program offered. As system users delved further into the software's functions, they discovered what would become the company's principal tool—the bill of manufacture (BOM).

"As DTR continues to allow us to generate valuable data, we've been able to zero in on what our actual overhead, labor and material expenses are, which helps support our sales efforts."

— ***Randy Drake***
Vice President
Ven-Tel

Drilling Down Into DTR to Enhance Decision Making

"The bill of manufacture is the most valuable module of DTR to our operations. In my opinion, it's the foundation of the system's manufacturing capabilities and has really influenced our decision making," said Drake. "Material requirements planning, analysis and cost accounting are all integrated in the BOM module to deliver valuable information that allows us to reduce data entry."

The BOM module of DTR establishes accurate production standards and projects item costs by basing calculations on factors such as materials, labor overhead, workstations, packaging, setup, and even subcontracting and warehousing. It monitors regrind, scrap, purge and return of regrind to inventory to account for all materials involved, ensuring a high level of accuracy in job costing.

"Delivering proper parameters for issuing accurate quotes and bids is what keeps us profitable," commented Drake. "As DTR continues to allow us to generate valuable data, we've been able to zero in on what our actual overhead, labor and material expenses are, which helps support our sales efforts."

Impressed by these early process improvements and still discovering new functions in DTR, Ven-Tel soon redefined its long-term goals for growth and future automation with the anticipation of greater returns to come.

Looking to the Future

"One initiative we're planning—something that will be a significant event for us—is implementing the real-time process monitoring module of DTR," said Drake. "We'll be able to take our automation to the next level, connecting hardware to each of our machines and wiring them into a central computer. Rather than manually recording the tracked amounts of quality output, rejects and scrap by machine, we'll be able to download this information in real time.

"We generate anywhere from 200 to 250 shift reports each week. With this real-time reporting function, we'll have the ability to have those reports generated directly in DTR as well as receive information from our production monitoring equipment," said Drake. "While the individual reports we're now able to generate are valuable, our production schedulers and operations staff will be able to start their workday with all of the planning information they need in a single, aggregate report."

Drake continued, "Throughout the day, process monitors will be able to download information as frequently as every five minutes. At any given point in the day, our molding managers will be able to access a single screen to monitor production from their offices—or even at home for that matter," he added.

"With DTR, we now have the ability to control all of the variables that can make or break us as a custom molder," said Drake. "We're still finding new uses for the software, and there's still so much more that we'll be able to get out of it."

About Consona ERP

Consona Corporation is a worldwide leader in providing customer relationship management (CRM) and enterprise resource planning (ERP) software and services for companies of all sizes. Consona serves more than 4,500 customers worldwide and across a variety of industries.

Consona Corporation
450 East 96th Street, Suite 300
Indianapolis, IN 46240

P: (888) 826-6766 or (317) 249-1700
F: (317) 249-1999

info@dtrsoftware.com
consona.com
dtr.consona.com