



“When we selected QAD, we knew that it was the leading ERP vendor for tier-one and tier-two automotive suppliers, and its dedication to this vertical market has been evident throughout our relationship.

John Smith, IT Project Manager, Cascade Engineering

CUSTOMER CASE STUDY

CASCADE ENGINEERING

QAD ENABLES IMPROVED INVENTORY CONTROL AND PARTNER COLLABORATION

THE COMPANY: CASCADE ENGINEERING

Cascade Engineering (Cascade) is a leader in the research, design and manufacture of engineered plastics products for the automotive, solid waste and industrial markets. The company produces components for OEM customers and Cascade Engineering branded products.

Cascade is headquartered in Grand Rapids, Michigan, USA, with more than 1,000 employees and 14 facilities worldwide. Known as a leader in the innovation of material development, engineering and manufacturing, Cascade is recognized for its

| HIGHLIGHTS | |
|---------------------------|---|
| Company | Cascade Engineering |
| Location | Grand Rapids, Michigan, USA |
| Industry | Automotive, commercial furniture, and containers |
| Products | Plastic injection molded assemblies |
| Solutions Utilized | <ul style="list-style-type: none"> • QAD Enterprise Applications • QAD EDI eCommerce • QAD Supplier Portal |

management practices, strong commitment to lean manufacturing and environmental stewardship.

THE CHALLENGE: SUPPLY CHAIN EFFICIENCY AND REAL-TIME FINANCIAL REPORTING REQUIRED TO GAIN COMPETITIVE EDGE

To establish itself as a competitive enterprise in a fast-moving automotive industry, Cascade needed improvements to both its supply chain and financial reporting processes. With a strong and stable infrastructure, the company’s technology could expand and change as quickly as the market commanded.

“The auto industry is demanding,” says John Smith, Cascade Project Manager. “All of the auto manufacturers want to conduct business via EDI, but they each have slightly different requirements. They have their own specifications for how bar codes should be printed. They also have different rules for various processes. If you don’t comply with the rules, you can get hit with chargebacks or even lose business altogether.”

THE SOLUTION: QAD ENTERPRISE APPLICATIONS ENABLES CASCADE TO BECOME A MORE EFFECTIVE ENTERPRISE

Cascade’s QAD Enterprise Applications implementation was rolled out as a series of small projects. Within one year, eight plants and several offices located at its corporate campus in Grand Rapids were live, and they came in “significantly under budget,” Lowell Johannsen, IT Project Manager, recalls.

A major factor in the success of Cascade’s project was the quality of cooperation among all parties

involved: QAD and Cascade staff, the Deloitte consultants, and a team from Eagle Consulting & Development, a QAD partner that provides automated data-collection and radio-frequency (RF) bar-coding technology for QAD users.

“Eagle performed beyond expectations,” says Johannsen. “Two weeks before our go-live date, Ford ordered a change in the design of a bar-code label, but Eagle completed all of its work on time. With that track record, I wasn’t concerned that it would delay our implementation.”

Cascade uses the full suite of QAD Enterprise Applications — from financial and manufacturing functionality to collaborative applications like QAD EDI eCommerce and QAD Supplier Portal.

The company decided early on that it was going to use the standard functionality of QAD as much as possible. “We felt that was important in order to standardize processes across all of our plants. And we have accomplished that goal by standardising almost all of our processes — from receiving materials to reporting production and recording financials,” says Johannsen.

“Our month-end reporting time has been reduced from 15 days to two or three days. Our inventory control process improved dramatically, with inventory turns increasing from 33.6 percent to 49.5 percent.

John Smith, IT Project Manager, Cascade Engineering

THE BENEFITS: FAR-REACHING IMPACT OF QAD ENTERPRISE APPLICATIONS SURPASSES EXPECTATIONS

“Our investment in QAD Enterprise Applications has more than paid off,” Johannsen says. “Because we can post and review financial transactions each day, our month-end reporting time has been reduced from 15 days to two or three days. Our inventory control process improved dramatically, with inventory turns increasing from 33.6 percent to 49.5 percent, and inventory accuracy improving by 25 percent. With QAD EDI eCommerce and QAD Supplier Portal, we have 100 percent connectivity with our trading partners.”

The company has improved efficiency and eliminated waste in virtually every aspect of its business — from customer order management, to processes for planning and scheduling the flow of material through its factories, to procedures for shipping products. Over a four-year period, while revenue grew by nearly 40 percent, says Johannsen, “We haven’t had to add new people in our purchasing, inventory control or finance departments because QAD Enterprise Applications increased our efficiency.”

Cascade’s production areas benefited from substantial operational improvements by using RF bar-code technology to track the movement of parts through the production process. An adherent of lean manufacturing practices, Cascade uses backflushing to record inventory usage based on the number of items completed. “We get real-time backflushing, which means we can track our inventory consumption throughout the day,” says Sandi Ragan, a Materials

Manager in Cascade’s corporate supply chain department. She adds, “The overall management of our business is much better, and much of that improvement can be attributed to the simple fact that we now have real-time transaction reporting.”

QAD EDI eCommerce and QAD Supplier Portal help Cascade strengthen relationships with both customers and suppliers. QAD EDI eCommerce

provides a streamlined method of managing EDI communications between QAD applications and virtually any other system trading partners may be using. Because QAD EDI eCommerce has made it so easy for Cascade to map EDI data coming from its customers’ systems into the QAD system, Cascade can conduct business with new customers — and book new revenues — much more quickly. QAD Supplier Portal improves supply chain efficiency by giving suppliers direct, real-time visibility into their inventories. By eliminating the need to fax or e-mail orders to suppliers, QAD Supplier Portal frees Cascade employees for more value-added tasks.

With QAD EDI eCommerce and QAD Supplier Portal, Cascade can do more than merely connect with trading partners; Cascade can conduct business in the exact fashion that each trading partner desires.

According to Johannsen, QAD Enterprise Applications has transformed Cascade into a more proactive organisation. “We have focused on measuring our performance and setting higher standards for that performance,” he says. “We are looking at factors like scrap rates and variances from production standards. Employee bonuses are tied to those variables, which gives employees an incentive to look for ways of constantly improving processes. But they wouldn’t be as effective without the systems we now have in place.”

“We recently realigned our order-management departments,” Ragan says. “We were able to reassign two people from each plant to different jobs because the computer can now generate a lot of the information that these employees previously had to compile manually.”

CASCADE IMPLEMENTATION OF QAD

\$500,000
ANNUAL COST SAVINGS

25 | **47**
PERCENT INVENTORY ACCURACY IMPROVEMENT | PERCENT INCREASE INVENTORY TURNS

\$3,000,000
ON-HAND INVENTORY PURGED

20% | **30%**
REDUCTION ORDER SHIPPING TIME | IMPROVEMENT ON-TIME DELIVERY PERFORMANCE

15 DAYS > 2 DAYS
MONTH END REPORTING TIME

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