



THE WANDSWORTH GROUP MAKES BETTER USE OF WORKING CAPITAL WITH NEW GENERATION ERP SYSTEM

Diversification led the company to focus on the development of an Internet-based bedside multimedia communications system for the global hospital market. Today, healthcare products account for the main part of the business and they are being marketed successfully into the UK, Canada, Australia and New Zealand.

Key to The Wandsworth Group's success has been its focus on customer requirements. Customisation, however, has led to a high level of product variants.

NEED FOR GREATER FLEXIBILITY – MAKING TO ORDER

“The emphasis is now on our manufacturing procedures and stock turnover to ensure we obtain maximum profitability for the capital employed,” explains Gerry Thornton, Administration Manager at the Wandsworth Group. “Flexibility on the shop floor is the new watchword and attitudes have had to change totally from pre-set machine runs, manufacturing to stock; to a new lean approach – only making what can be sold.”

Business operations at the group's Woking premises were restructured to complement the implementation of a new generation business management computer system. IFS Applications replaced an ageing proprietary system which had become increasingly uneconomic to maintain.

The previous system had been in service for over twenty years and Wandsworth was careful to ensure that its replacement would retain all the specialised functionality it provided, as well as meeting future needs of the group.

THE CHALLENGE – BALANCING THROUGHPUT AND CAPACITY

Production planning is an important function and managers have to make a judgement on sub-contracting work based on costs or capacity. Specialised suppliers are used for electronics work and other complex components such as grids and bulky assemblies.

The big challenge is in balancing order fulfilment and availability without creating excessive levels of stock. Wandsworth's portfolio covers around two thousand generic products plus an infinite number of variations. Specials are made to order. A lot of stock is also part-finished and then completed against customer orders.

Customer ordering is complicated by the fact that components are often installed at different stages as the building work progresses. Products are supplied both direct-to-installer, or through stockists – and demand can fluctuate from high volume to small quantities for refurbishment projects. In order to encourage smooth ordering, Wandsworth provides a range of pricing options and discounts.

THE SOLUTION – MAKING THE CHANGE TO MRP

Although the IFS software met most of the project requirements, some modifications were undertaken in order to meet the needs for quotations, which are geared to the special characteristics of the building services market. For instance, quotations for large projects are often split into different phases, each of which may have subordinate stages.

ABOUT THE WANDSWORTH GROUP

The Wandsworth Group is the UK's oldest manufacturer of electrical switches and accessories. Products are specified by architects, consulting engineers and contractors, and can be found in Windsor Castle as well as prestigious hotels, airport terminals and large commercial buildings, in the UK and the Middle East.



The management of shop orders was another area in which the generic IFS software worked in a different way to the legacy. Previously Wandsworth used Re-order Point Control in conjunction with sales forecasts based on historic demand patterns, rather than a traditional Materials Requirement Planning (MRP) approach. “Our immediate reaction was to start creating interfaces so that IFS would perform in the same way as the legacy,” says John Williams, Associate Director of Support Services at the Wandsworth Group. “Eventually we realised that the IFS MRP function would provide a neater solution and decided to make the change. And this has proved to be very successful.”

Gerry Thornton agrees. “At first there was some reluctance to change but once we moved across to MRP we quickly saw some reduction in our inventory.”

“It opened our eyes to the next problem with manufacturing – and that is capacity. Once we got the materials under control, the next thing was to ensure that we had the correct resources available to meet our delivery commitments.”

Concurrent to the IFS implementation, Wandsworth undertook a major project with a view to implementing lean manufacturing techniques in order to eliminate waste in various forms from excessive stocking to idle capacity, blocked because of batch runs and scheduling issues. Detailed studies were carried out into the movement of materials through the manufacturing process, economic batch sizes, bottlenecks and available capacity.

This work preceded the switch over to an MRP-based shop ordering system with the ultimate aim of carrying it forward with the implementation of IFS constraints-based scheduling. This has enabled the company to balance throughput and therefore achieve more accurate lead-time forecasts and improve its performance for on-time order deliveries.

BENEFITS

The biggest advantage achieved through the IFS implementation is the improvement in access to information. Employees throughout the organisation have benefitted as they can now get the information they require as and when they need it rather than waiting for the publication of specific reports. The IFS system has become very engrained in the working processes of many Wandsworth employees.

Wandsworth worked with IFS to adapt sales order processing and quotation documentation so that individual lines can be discounted. Typically a sales order may have up to thirty line orders. This modification accommodates the need to allow different discounts according to different customers and product types.

“One of our biggest worries was in our ability to manage the transfer of data,” says John Williams. “IFS however provided some very useful tools to support this activity, and given the tools and an explanation on how they worked we were able to do most of the work ourselves. The project was relatively painless. IFS consultants kept an eye on things and were readily available to provide support on site during the implementation.”

The Wandsworth Group also deployed additional modules, including human resources and project and document management which have enabled higher productivity and efficiency in these areas.

FUTURE DEVELOPMENT

Looking ahead, the marketing department wants to explore ways in which the system can be used to involve customers more in the automated processing of orders.

The implementation of IFS marked an important step forward for the company. John Williams and the Wandsworth team can now see many opportunities open that couldn't have been contemplated with the previous system.

BENEFITS

- Improvement in access to information
- Better visibility in costing
- Improved understanding of the profitability of contracts
- Lean manufacturing approach, reduction in inventory
- Better use of working capital

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John Williams,
Associate Director, Support Services
Wandsworth Group