



VBG GROUP REDUCES PAPERWORK AND IMPROVES OVERVIEW

VBG Group's subsidiary in Vänersborg, Sweden, VBG Group Truck Equipment AB, are true lean manufacturing pioneers. A simpler working day for operators, high levels of automation and integrated sales companies are some of the keys to lean manufacturing –and high manufacturing quality.

In the mid-1990s, VBG Group Truck Equipment AB made the strategic decision to move to leaner manufacturing processes. "Since then, our work has involved eliminating all unnecessary steps in production" says Stefan Josefsson, IT Director at VBG Group. "To that end, we initially redesigned production so we could handle several parts of the production ourselves in Vänersborg; we appointed target-oriented production groups and reduced the number of articles."

The resulting shorter setup and lead times, and the smaller stock of spare parts required mean that production quality at VBG Group's plant in Vänersborg soon became more even and the company could reduce its tied capital.

CONSTANT IMPROVEMENT

According to Josefsson, one of the cornerstones of lean manufacturing is that you can never let up. "We're working systematically with this. Internal teams hold regular meetings to discuss improvements with a template to guide them. We're working to raise levels of quality awareness among all our employees."

IFS APPLICATIONS ENABLES LEAN

If lean manufacturing is an attitude, IFS Applications can be said to be its enabler. VBG Group Truck Equipment AB has used IFS Applications since 1999. Each year, the ERP solution handles 20,000 production orders and 40,000 manufacturing operations in Vänersborg. The aim is to execute deliveries to customers within 24 hours. "We have continuously implemented components from IFS Applications that support our lean manufacturing ambitions," says Josefsson. "For instance, the IFS process modeling tool has been one of the mainstays of our operations because it enables us to manage the processes that form the basis for TS 16949 certification."

IFS Kanban, which enables a pull sequence in the manufacturing process, is another piece of the jigsaw that makes things easier in the Vänersborg plant.

SALES COMPANIES ARE INTEGRATED

Today, IFS Applications is also the standard system in the sales companies in Norway, Denmark, England, and Belgium, which are thereby integrated with the manufacturing facilities in Vänersborg, resulting in major savings in administration. "Now orders go automatically to Vänersborg and are converted to production orders," says Josefsson.

ABOUT VBG GROUP

VBG GROUP is an engineering group with manufacturing and sales companies in Europe, India, China and the USA. The Group's operations are divided into two business areas, VBG Group Truck Equipment, supplying systems and equipment to customers in the heavy vehicles industry, and Ringfeder Power Transmission, which specializes in mechanical power transmission and industrial damping.

The Group has roughly 430 employees and reported net revenue in excess of US \$162 million in 2010. The Group is listed on the Nasdaq OMX Nordiska Börs Small Cap. Herman Krefting, the founder of the Group, was actively involved in road safety issues. As a result he founded the company that is now VBG Group in 1951. Safety remains a central characteristic of the Group's identity.



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“Introducing IFS Financials and IFS Distribution into our sales companies is a pronounced strategy on our part.”

NEW OPERATOR'S TOOL

One of the biggest improvements the VBG Group introduced was to streamline the work of the operators on the shop floor. In the past, it was difficult to get a quick overview of status. Coupled with increasing customer demands and quality requirements, this meant that more and more time was spent on administration.

For that reason, the VBG Group and IFS jointly developed a new manufacturing and reporting client, in which 90% of everything an operator needs to do is located and easy to access. “The operator sees the entire specification for an order in the client and can easily find related drawings and instructions, report measurement results, ensure traceability, or see what needs to be replenished,” says Josefsson. “It’s also possible to print goods labels for marking pallets.”

FOCUS ON EQUIPMENT

Operators get the latest information and a much better overview of the entire production process. The time required for reporting and administration has dropped considerably, and it is now easier to fulfil the quality requirements imposed by the certification standards. “Our operators had to spend a lot of time on administration and not on their main task—ensuring the equipment was used efficiently,” says Josefsson. “With the new client, we have solved the problem. The users have been very positive about the improved organization.”

RAPID MAINTENANCE REPORTING

The risk of equipment suddenly coming to a standstill is also lower. Faults that are detected can be corrected faster as IFS Maintenance can also be accessed via the portal. On detecting a fault, operators can easily send a report direct to the maintenance department. The VBG Group also uses IFS Maintenance to work more efficiently with preventive maintenance.

INCREASED AUTOMATION

The changes in production have increased the level of automation at the VBG Group. A single operator can now monitor two production cells, in which several different operational stages have been integrated. Increased automation—and the subsequent lower production costs—is a prerequisite for the ongoing structural project, which will see the production of Ringfeder trailer couplings move from the Group’s plant in Germany to the Vänersborg unit.

AGILE MANUFACTURING

The structural change means that the facility in Vänersborg needs to be able to quickly scale up production to manufacture increasingly larger series. Certainly a challenge, but Josefsson hopes there will not be any major problem because the ERP software is designed to quickly adapt to change. “Our manufacturing is extremely agile, as we have almost no setup time. By keeping down the size of batch orders, we can quickly adapt production—and reduce spare parts and tied capital as well. Into the bargain, we get high production quality and increased service levels.”

BENEFITS

- Support for lean manufacturing
- Advanced Kanban
- Efficient production reporting
- Quality control that supports various certification standards
- Support for continuous change and improvement
- Efficient supply chain management



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Stefan Josefsson, IT Director, VBG Group



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