



FLEXPIPE GAINS SPEED AND ENVIRONMENTAL TRACEABILITY WITH IFS APPLICATIONS

Flexpipe Systems Inc., of Calgary, Alberta, manufactures and sells proprietary non-metallic, corrosion-resistant pipeline products and crimped steel fittings primarily for oil and natural gas producers. The company was acquired in 2008 by global energy services company ShawCor Ltd. After a thorough comparison and selection process, Flexpipe Systems chose to migrate from its existing enterprise resource planning (ERP) solution to Shawcor's instance of IFS Applications.

ROADBLOCK TO GROWTH

According to Flexpipe Systems' Business Process Optimization Manager, Don Miller, Flexpipe's existing ERP solution was heavily customized in order to meet the company's business needs.

"We were using Epicor Vantage," Miller said. "Our implementation contractor had done numerous modifications to the source code. It got to a point that it was handcuffing us significantly and a lot of the standard functions were beginning to be hampered. Vantage was so customized that we could not do an upgrade; upgrading the system would involve a complete reimplementation. We were forecasting major growth in the next few years, so we decided it was time to either replace Epicor Vantage with a new version or go to something else".

Apart from the company's immediate system requirements based on current business levels, Flexpipe Systems was cognizant of its future growth requirements, and the additional functionality that could be incorporated into a new system. IFS Applications provided a solution.

"IFS provided a number of platforms that could be used in our long term plans, including the use of recipes in the ERP system. Epicor did not provide this function," Miller said. "We didn't require these recipes right away in our current business process but in the future we knew we could need the extra flexibility."

IMPROVED INVENTORY MANAGEMENT

According to Miller and Flexpipe Systems' ERP Analyst, Nathan Reitsma, the implementation of IFS Applications has brought major and measurable efficiencies to the company's inventory management system, allowing the reduction of safety stocks and faster shipping of orders.

"It was taking approximately a day and a half to receive inventory from a shop order," Miller said. "Now with IFS, transactions are live within 20 minutes. We can finish a product, get it on a truck and ship it out of our facility within

ABOUT FLEXPIPE

Flexpipe Systems, a division of ShawCor Ltd., manufactures and sells a spoolable composite pipeline system used for oil & gas gathering systems, water disposal, CO2 injection pipelines, and other applications where a corrosion resistant, high pressure pipeline is required. Flexpipe Systems' manufacturing facility is located in Calgary, Alberta with additional sales, service and distribution facilities located throughout Western Canada, through the Rocky Mountain Corridor and into the southern United States.



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20 minutes of it being completed. In the past this process could take a few days. IFS completely eliminated the problems we experienced with our weekend production schedule as well. Monday mornings would be spent closing shop orders created during the weekend. Now, because this process happens instantly and on the shop floor, delays caused by receiving three days of production into inventory on Monday morning have been eliminated. Our finished product is ready to ship to our clients as soon as it is manufactured.”

“Because it was taking shop orders so long to be closed off after completion, we had to maintain four days of safety stock on our semi-finished inventory parts because we had a weekend of shop orders that had not been closed out,” Reitsma said. “We needed four days of inventory, including one day’s worth that existed at the time in the ERP as a received and completed shop order. After the implementation of IFS we sped up the shop order closing process, which resulted in the ability to reduce our safety stock by 60 percent.”

BARCODING FOR LOT TRACKING

Because Flexpipe Systems’ products are used in oil and gas gathering systems and other environmentally critical applications, lot tracking for the company’s pipe fitting products is critical. Flexpipe Systems has not had a fitting recall in recent memory, but wanted to proactively ensure the company could quickly mobilize a precise recall if necessary.

Flexpipe Systems was also performing extensive non value-added work by recording inventory and shop floor transactions manually and then entering them into IFS Applications.

“We were recording everything on paper, which was then physically carried to an IFS station,” Business Analyst Grant Clarke said. “Shipping or receipt details, including the part number and serial tracking numbers, would then be entered into IFS by someone when there was time, not necessarily at the exact time of the product shipment/receipt.”

Flexpipe Systems retained Cincqon, of Vancouver, British Columbia, to leverage IFS Applications’ service-oriented architecture, using web services to drive data directly through IFS Applications’ business logic. Handheld devices now read barcodes to capture serial, lot and batch data and automatically enter it in IFS Applications.

Barcode integration has delivered lean improvements and allowed Flexpipe Systems to mitigate the risk of a recall.

“Prior to the implementation of the handheld devices and IFS interface, we had limited visibility on serial, batch and lot numbers,” said Colin Moyer, Flexpipe Systems’ Inventory Control Manager. “With our manual processes it may have taken days to identify and recall a potentially problematic batch of products. This impractical and labor-intensive process has been eliminated with the introduction of the IFS system.”

BENEFITS

- Functionality diverse enough to encompass diverse business needs
- Improved inventory management, allowing reduced safety stocks by 60 percent
- Integrated bar coding for lot and batch management

WHAT FLEXPipe SYSTEMS PURCHASED:

Financials
Document Management
Quality Management
Distribution
Manufacturing
Engineering/Product Design
Maintenance



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