



IFS APPLICATIONS SUPPORTS FURNITURE MANUFACTURER SITS

Due to the dynamic development of the furniture market and the excellent situation in the building sector in 2006-2008, a decision was taken to implement an ERP management support system at SITS in Brodnica. IFS Applications was selected, mainly to support manufacturing process management and furniture distribution.

SITS Sp. z o.o. originated from a merger of two furniture companies, CIMIR and SITS. Today, the company employs about 600 workers who produce furniture contracted by IKEA and retail customers.

Cooperation with IKEA has been the core business of SITS since its incorporation, giving the company stability on the market and the ability to spread its wings. Several years ago the company decided to diversify production, introducing into the offer, apart from Scandinavian furniture for IKEA, a family of modern and functional upholstered furniture of high quality sold under the SITS brand.

The basic strategic aim of SITS for the next four years is the systematic, 20% increase of production and the maintenance of the present 50% ratio of IKEA to SITS furniture. Weekly about 4,500 products are made for customers on all continents. Orders often concern a single piece of furniture ordered by an individual. To manage such a high amount and diversity of orders, it became necessary to invest in a modern business application. IFS Applications was chosen, a solution that fulfilled the requirements related to the special type of production processes at SITS.

TIME FOR CHANGE

Five years before implementing IFS Applications, SITS had already been using an IT system supporting departments responsible for financials, distribution, sales and warehouse management. However, the solution was not capable of meeting the requirements of the quickly developing company.

Due to the fast-growing demand for its products, the company had to find a solution that would also support other areas of the business. A modern, high-tech solution with a graphical interface was sought. There was a need to standardize the IT solutions that could be used in the two entities that had merged, as well as to provide support for the execution of the increasing number of orders, including those for single items.

ABOUT SITS

SITS Sp. z o.o. is a Swedish-Polish company that has been located in Brodnica, Poland, since its establishment.

The company manufactures upholstered furniture. The diverse designs and color patterns, use of diverse types of fabric and the high quality of natural leather make customers appreciate SITS products both in Poland and abroad. Mostly Polish raw materials are utilized in the manufacturing process.

SITS brand furniture is sold all over Europe, mostly on Scandinavian markets, where it is very popular. The company is also a major furniture supplier to IKEA. SITS pays special attention to quality, so that its customers will be satisfied with the furniture they purchase and use, distributors with the delivery and services offered, and employees with the good atmosphere in the company.



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The tender for the system was announced in 2006. The selection process focused on the ability to adapt a proposed solution to the company's needs. This concerned mainly configuration of SITS products, which had to be transferred into product orders. In the final part of the tender, four companies were shortlisted whose offers provided functionality such as accounting for production with accuracy down to a single item. SITS selected IFS based on the high level of competence of the IFS consultants who presented the solution that met SITS's needs.

STEP-BY-STEP IMPLEMENTATION

The implementation process started immediately after the contract was signed in June, 2006. Initially, a decision was taken to implement components that support manufacturing, distribution and financials.

The first stage involved the preparation of an implementation concept. It started with the preparation of processes, procedures and data that are used by SITS employees daily. It was also the basis for creating a database. When these were in place, the implementation proper went smoothly and quickly.

Thanks to the effective implementation of the system, 103 SITS employees have been using the system since March, 2007. A set of all important data has been collected, becoming the basis for reliable reporting. The data provide forecasts of demands and production volumes.

During the next stage, SITS is planning to implement components that improve operation efficiency, primarily IFS Web Portal—a solution that will support customer service.

TANGIBLE BENEFITS

SITS representatives responsible for the IFS Applications implementation project appreciate the competence of IFS specialists, as well as their ability to react quickly. Mutual support was the key to success throughout the implementation.

Thanks to the implemented solution, it has become possible to carry out in-depth analyses of the situation on the furniture market. It is possible to obtain the information required about individual orders quickly and easily, which is a critical aspect of support when there is a large number of retail purchases.

Nowadays, neither the management board nor the SITS teams involved in the implementation can imagine operating the company, which executes several thousand orders per week, without an effectively operating IT system.

The process of implementing individual components continues. SITS's IFS users are becoming more and more skilled in utilizing IFS Applications, and IFS consultants are developing the solution that is in place, enabling effective cooperation between various departments of the company.



BENEFITS

- Data integration
- Improved cooperation with suppliers
- Reduced distribution costs
- Shortened decision-taking process
- Ability to analyze company business issues
- Supporting configure-to-order manufacturing, often based on unique orders of retail customers
- Improved information exchange process with customers via EDI

SOFTWARE

IFS Financials™

IFS Distribution™ (Procurement and Sales Scheduling, Demand Planning)

IFS Manufacturing™



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