



STRENGTHENING NEC'S PUBLIC BUSINESS SUPPLY CHAIN WITH CENTRALIZED IFS SOLUTION

NEC has embarked on a journey to centralize its global supply chain operations, standardize business processes by connecting sales with the manufacturing plant and production, and consolidate multiple systems to a single instance enterprise solution to strengthen its global competitiveness. Rolling out IFS Applications™ to its IT Platform business unit resulted in increased transparency and standardized operations. Recently, NEC Public Business Unit implemented IFS Applications to achieve similar results as part of its global supply chain management (SCM) reform to further strengthen its project-based manufacturing.

DISPARATE SYSTEMS COSTLY AND REDUCED MARKET COMPETITIVENESS

NEC's Public Business Unit had eight entities and subsidiaries for hardware production and was operating seven disparate business applications to manage its production and supply chain. There was a lack of standard business processes, and it was hard to execute business requests such as a production transfer to another plant. It was a challenge to respond to frequent company reorganizations and market changes in an agile manner. Moreover, there was no central procurement system, and the maintenance cost on multiple IT systems was exceptionally high. "It was impossible to control and monitor the production cost and supply chain in a timely manner, which reduced our market competitiveness," says Mr. Makoto Awata, General Manager, Public Business Supply Chain Management Division, NEC Public Business Unit. As a project-based manufacturer in Engineer-To-Order (ETO) and Make-To-Order (MTO) of complex studio and transmission solutions for broadcasting, satellite production and airport surveillance systems, NEC Public Business Unit could only produce one product per contract. It normally takes more than one year for production to deliver the end solution to their customers per contract agreement. "We required project management capability to produce more than one product per contract with better production and supply chain management to enhance our market competitiveness," says Mr. Awata.

When NEC Group embarked on a global SCM reform, IFS Applications was selected as NEC's standard manufacturing system in 2010. "The strong IFS Applications functionality in ETO and MTO, coupled with strong project management control, was very well received within the unit," says Mr. Awata.

IFS APPLICATIONS CENTRALIZES MANUFACTURING AND SUPPLY CHAIN OPERATIONS

"The most difficult part was how to standardize processes," says Mr. Makoto. With every division having different processes and collecting vast amounts of

ABOUT NEC PUBLIC BUSINESS

NEC Public Business provides safe, secure and efficient solutions for domestic and foreign governments, public & financial institutions, and other organizations. By combining its distinctive technology and assets, NEC Public Business manufactures networking, sensing, transmission and broadcasting technologies with broad systems integration expertise to customer assets.



©Photo NEC

data, it was not easy for management to decide which processes or data should be transferred into the standardized version. “Once we established one standardized process, it was really easy to train staff, manage master data and ensure that staff conform to operating in IFS Applications,” says Mr. Awata. “Regardless of plant, or location, people have insight and knowledge into production and the supply chain, communicating seamlessly with all stakeholders. Company reorganization does not impact production whereby employees can easily be cross-trained. Furthermore, IFS Applications has lowered training costs by having standardized processes and information centrally managed and available.”

IFS Applications, with its strong, embedded project management functionality, gives NEC Public Business Unit’s project-based manufacturing operations the ultimate control and visibility it desired, enabling real-time control over cost, cash, time, and resources. It has lowered the risks of project delay and/or over-running budget because with the visibility, NEC can take quick actions when something happens and have full project control at the different stages of the project, from real-time configured proposals to contract management, engineering, managing variations, planning and production, supply chain, and delivery and service. “With IFS Applications, we can produce more than one product per contract, which is fully managed through the rich project management functionality in the enterprise software,” says Mr. Awata. “We have full project control.”

Managing procurement and spare parts has become streamlined and reduced unnecessary warehousing costs. “IFS Applications enables us to have a centralized parts inventory database, which has reduced lead times and inventory levels, and enables us to order parts as needed. It provides better support for demand planning as well as production and procurement planning, and we are now in a position to offer multibody discounts. Furthermore, we have reduced team members in the parts inventory control team through streamlining operations and generating efficiencies with one centralized system,” says Mr. Awata.

Additional efficiencies since implementing IFS Applications have been achieved by consolidating multiple systems to IFS Applications, which has resulted in lower IT maintenance costs. Furthermore, selling and general administration costs have been reduced through streamlining processes and creating further operational efficiencies. The overall result has been improved market competitiveness, and improved planning and operational capabilities.

BETTER INSIGHT, GREATER EFFICIENCY

IFS Applications has given NEC Public Business the ability to manage its supply chain process including planning, scheduling and execution of operations. “The strong IFS Applications functionality in manufacturing, supply chain management and project management has been well received. It has streamlined operations, increased transparency and improved our market competitiveness,” says Mr. Awata.

BENEFITS

- Streamlined operations and increased transparency
- Improved supply chain and procurement and reduced inventory levels
- Lowered IT Maintenance costs
- Reduced selling and general administration costs

SOFTWARE

- IFS Manufacturing™
- IFS Supply Chain Management™
- IFS Projects™



“The strong IFS Applications functionality in manufacturing, supply chain management and project management has been well received. It has streamlined operations, increased transparency and improved our market competitiveness.”

Mr. Makoto Awata, General Manager,
Public Business Supply Chain
Management Division, NEC Public
Business Unit.