



## IFS APPLICATIONS™ HELPS MONITOR EXPENSES AND STREAMLINES MANAGEMENT FUNCTIONS IN MPK-ŁÓDŹ

**MPK-Łódź Sp. z o.o. provides urban transport services in Łódź area in Poland. During the last few years MPK has implemented a restructuring program covering all areas of its operations, including human resources, and support operations. Greater focus has been placed on cost control.**

At present, Zakłady Techniki, the technical unit, employs approximately 600 persons. For a number of years, these employees have also carried out external contracts for the parent company. MPK-Łódź generates 10 PLN million yearly via this operation.

The company continues to invest in and upgrade its fleet. In Łódź, up to 800,000 passengers use public transport every day. Between late 2005 and October 2008, 198 buses were purchased and within three years over 50% of the fleet has been replaced. MPK-Łódź is a pioneer in organizing transport for the disabled and currently has 18 special-needs vehicles for this purpose. During 2008 over 80,000 people used this specialized service.

### FIRST IT SOLUTIONS

As part of its restructuring process, MPK-Łódź invested in IT systems. The most vital requirement turned out to be the need to monitor financial flows. It was known that operating costs were high, but there were no IT tools to collect and analyze data on expenses incurred—who and for what purpose funds were allocated.

In 2003, MPK-Łódź decided that it needed a fully integrated ERP system that would support its restructuring plans. The company focused on such areas as financials, distribution, purchasing and controlling. After evaluating what a number of ERP vendors had to offer, the company opted for IFS Applications™. A very important factor in the decision-making process was the fact that IFS could provide excellent industry references.

The implementation was carried out in line with standard IFS methodology. Key users were selected, who later shared the knowledge gained during training with other MPK-Łódź employees. Each implementation had its own dedicated IFS employee, who contacted key users. IFS consultants supported MPK-Łódź during system testing and introduced necessary modifications.

### ABOUT MPK-ŁÓDŹ

MPK-Łódź Sp. z o.o. provides urban transport services, as well as transport services for the disabled via specialized vehicles. Transport services are provided by 5 communication divisions (3 tramway communication divisions and 2 bus communication divisions) on 75 lines, including 16 tramway lines and 59 bus lines (52 daytime lines and 7 night lines). At present, the company has around 2,800 employees. In 2005, MPK-Łódź began implementing IFS Applications. Currently, there are 234 IFS Applications users in the company.



Photo: MPK-Łódź Sp. z o.o.



## IMPLEMENTATION IN STAGES

The implementation was divided into three stages. In 2005, the first stage began, which involved implementation of IFS Financials™ (including controlling), IFS Distribution™ and IFS Sales & Service™. In the second stage, executed from early 2006, IFS Human Resources™ and IFS Payroll™ components were implemented. The solution was developed in response to extensive expectations from MPK-Łódź related to automation of data processing, deriving from a complex payroll system; the presence of many trade unions; the need to handle former employees and their families as part of social activities; and the need for integration with other systems specific to transport companies.

IFS Maintenance™ was implemented in the third stage, which was completed in in 2009.

## BETTER MANAGEMENT PROCESSES WITH IFS APPLICATIONS

The ERP system from IFS being used at MPK-Łódź primarily supports the management of the internal processes of the company and its service operations. IFS Applications allows the company to handle many operations in purchasing, such as submitting requisitions from users. Employees also gain easy access to warehouse stock data. Employees responsible for purchasing find it extremely useful to have automatically generated orders based on the requisition submitted earlier in the system.

IFS Applications allows employees to monitor the status of contracts and to know precisely when the contract is terminated. Authorized users can monitor on an ongoing basis the total use of materials and compare usage with allocated limits or the company operating plan. IFS Applications offers the capability to conduct various analyses which were previously handled through a variety of programs or even manually.

The use of IFS Applications allows MPK-Łódź to analyze how purchasing activities are being conducted and makes it possible to define the response time from submitting the requisition to the purchase being made. The parameters obtained can also be used to assess aspects of suppliers' service, such as delivery times. With IFS Applications contract delivery times are entered, making it possible to analyze whether the delivery is being made in line with the contract and to calculate charges in case of delays. IFS Applications also allows rapid access to data on materials use. Data gathered in one location is available to all authorized users, including the accounting department, which can calculate costs of materials use and conduct their analysis at any given moment. Another huge benefit is that it is also possible to access data on an ongoing basis.

## BENEFITS

- Internal process management support
- Support for control
- Streamlined maintenance planning and services management
- Support for inventory and materials management
- Automatic order generation
- Online access to necessary data
- Standardized interpretation of input data
- Automatic report generation
- Capability to conduct many projects simultaneously
- Rapid response to market changes

## SOFTWARE

- IFS Financials™ (including controlling)
- IFS Distribution™
- IFS Maintenance™
- IFS Sales & Service™
- IFS Human Resources™
- IFS Payroll™

Number of IFS users: 234



Photo: MPK-Łódź Sp. z o.o.