



IFS APPLICATIONS™ ENABLES HEXPOL ENGINEERED PRODUCTS TO STREAMLINE ITS SUPPLY CHAIN AND PREPARE FOR FUTURE EXPANSION

Meeting customer expectations of short lead time from order to shipment worldwide is a major challenge when production lead times are long. The solution is a highly efficient supply chain with complete visibility in every step. Thanks to its multisite implementation of IFS Applications™, HEXPOL Engineered Products, a world-leading polymers group, has streamlined its supply chain, optimized inventory, and increased cash flow and return on capital employed. This lets HEXPOL Engineered Products plan for what's next—profitable growth and improved cash flow.

MULTIPLE SITES, ONE SERVER—FOR LOW-COST, EFFICIENT ERP

A long-time user of IFS Applications, HEXPOL Engineered Products has two main reasons for retaining the ERP software as the company continues to grow. One is the user-friendly interface that has enhanced productivity. The other is the multisite functionality. Running just one ERP system, IFS Applications, means that HEXPOL Engineered Products can lower its IT costs, in part because of its thorough knowledge of the solution. Michael Grindborn, Financial Director at HEXPOL Engineered Products, says, “We don’t need to have consultants from different companies round the world costing us a lot in time and money. Now we can retain core competence within the company in one place and just work with one company. It’s much more cost efficient.” Costs per user and per company have been considerably reduced. “That’s why we try to implement IFS Applications as soon as possible when we acquire a new plant. We get better information at management level, and we’ve seen that the cost is lower compared with other IT solutions, even small ones,” Grindborn says.

The biggest process improvement is within supply chain management. Previously, all data was typed in. Now, customer orders are run through distribution orders and sent directly to the HEXPOL Engineered Products plant in Sri Lanka, which then completes the customer order without any typing. Grindborn says, “That’s a really good advantage and has reduced a lot of staff time.”

CLEAR VISIBILITY

HEXPOL Engineered Products runs IFS Applications in two of its companies in Sweden, one in Germany, two business units in the USA, two in China and two in Sri Lanka, all from a single server in Sweden. It also uses business intelligence software from IFS so as to quickly collect data for analysis. This gives HEXPOL Engineered Products good visibility at any given moment into how individual subsidiaries are operating and meeting their KPIs. With all subsidiaries from Europe to China and the USA on the same software and working more or less the same way; HEXPOL Engineered Products is standardizing as much as possible

ABOUT HEXPOL

HEXPOL is a world-leading polymers group with strong global market positions in advanced polymer compounds (Compounding), gaskets for plate heat exchangers (Gaskets) and wheels made of plastic and rubber materials for forklifts and castor wheel applications (Wheels). Customers are primarily system suppliers to the global automotive and engineering industry, the construction sector, the energy, oil and gas sector, medical equipment manufacturers and OEM manufacturers of plate heat exchangers and forklifts. The Group is organized in two business areas: HEXPOL Compounding and HEXPOL Engineered Products. Customers outside Sweden account for approximately 97 percent of sales, and 11 of the Group’s 41 production units are situated in the expansive regions of Asia, Mexico and Eastern Europe. HEXPOL Group’s sales in 2015 amounted to SKr 11,229 million. The HEXPOL Group has approximately 4,200 employees in 11 countries.



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the way the software is used, and is working to extend the use of IFS Applications to get a more complete view of its business. Grindborn says, “We have made all the companies work the same way so we can really measure them and see differences, and how we’re performing as a company. We have a good 360 view of our operations around the world. As a result, we have been able to optimize inventory and give our customers even better service.”

HIGHER PRODUCTIVITY, BETTER CASH FLOW

The decision to implement IFS Applications throughout its operations has benefited HEXPOL Engineered Products in a number of ways. Apart from the lower IT costs, it has become more efficient, and seen improvements in cash flow and profitability. Grindborn comments, “We have seen greater efficiency from our users. With the new version of IFS Applications, which is much more user-friendly, they are roughly 50% more efficient than before. We’ve focused on collecting all data within IFS Applications so they know where to find it and can do so easily.” HEXPOL Engineered Products has the same number of people as it had 10 years ago, and has grown from a turnover of SKr 2-3 billion to SKr 12 billion.

MORE USER-FRIENDLY SOFTWARE

Gabriella Karlsson, Controller at HEXPOL Engineered Products, supports IFS Applications users in the different production units worldwide. She says, “I find it very user-friendly. As a controller I pull out a lot of information, statistics, and can work very efficiently and do my analysis quite fast. Our employees find it very user-friendly. We have the same approach to working with IFS Applications, and the basic data is the same in all our units. As we have it integrated company-wide, I have access to all their basic data and all their statistics, and through the IFS BI software, I can pull it out really quickly. So it has really made my life easier as a controller.”

WHAT’S NEXT?

Grindborn looks to the future, saying “What I have seen in the latest versions is really good. I would say that the use of IFS’s mobile solutions will make us even more efficient, both in production, with faster reporting and data retrieval, and also in the warehouse; but also for people on the move around the world, who can approve invoices, purchase orders etc. while traveling. I think that will make us even more efficient in how we use our software today.”

Jens Ekdahl, Logistics Developer at HEXPOL Engineered Products, adds, “What I like is the way we work so well with IFS people to develop IFS Applications at HEXPOL Engineered Products, which accelerates the implementation of new functionality.” A point Grindborn confirms, saying, “I think we get good input from IFS about what’s going on because of our close collaboration. And when we get ideas, we run projects to further develop our usage and the development of IFS Applications.” HEXPOL Engineered Products is looking to implement IFS’s CRM software and also hopes to benefit from development in IoT. “It’s a way of showing our customers that we will be competitive, even in the future,” Grindborn says.

BENEFITS

- More efficient supply chain
- Lower IT costs thanks to single-server, multisite environment
- Greater visibility into operations
- 50% increase in employee productivity

SOFTWARE

- IFS Supply Chain™
- IFS Financials™
- IFS Quality Management™
- IFS Manufacturing™



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