

VA Manufacturer Finds Integration with ERP and E-Kanban

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([PRWEB](#)) February 25, 2005 -- Koyo Steering Systems (www.koyousa.com) with manufacturing headquarters in Daleville, Virginia, originally signed up with Datacraft Solutions (www.datacraftsolutions.com) e-kanban system, Signum, to help manage the flow of some 3000 faxes per day that were being sent to thirty key suppliers on kanban. Koyo, a very lean organization, was internally relying on visual signals to trigger supplier replenishment of consumed inventory. Management of this volume of cards was unwieldy and error prone. Although the visual system was maintaining the flow of inventory, it was at great administrative expense.

Koyo's first phase was to bring in Signum and migrate the manual faxbans onto an electronic kanban platform that included bar code scanning of inventory, consumption, and automatically conveying that kanban signal to suppliers.

After several months in production, a new Materials Manager, Mark Mekanik, who had come from a more traditional manufacturing environment, was hired to oversee the raw material and purchased parts warehouse.

Very early Mekanik discovered that it was impossible to get answers to the seemingly simple questions of:

- How much inventory of part number X does KOYO have on hand?
- How much is on order?
- When will it arrive?

These were questions that were easily answered in Mekanik's ERP (Enterprise Resource Planning) experience, but seemed quite elusive in this flow-oriented kanban replenishment environment.

Mekanik immediately initiated a project that would integrate Signum, Datacraft Solutions' e-kanban system, with KOYO's ERP system, Syteline. The goal of this project was to develop a perpetual inventory system that would provide answers to key inventory questions, while not disrupting the value the company received from the electronic kanban platform. Koyo went live with this integrated system right after the New Year.

The new workflow has material handlers scanning all products removed from the warehouse and consumed during KOYO's manufacturing processes. This single activity debits Syteline's warehouse inventory (of a kanban quantity of material), and checks for a valid blanket purchase order; issues a kanban order to the appropriate supplier. After the agreed upon lead time, the supplier's shipment arrives on KOYO's loading dock. Two simple bar code scans, once upon consumption and once upon receipt, serve to manage the entire replenishment process. KOYO now has a streamlined electronic kanban replenishment process and a perpetual inventory system.

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