



Datasheet

Electronic Kanban

Ultriva vs. ERP eKanban Modules

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Summary: Several ERP vendors offer rudimentary Kanban modules to compliment their MRP systems. However, these Kanban modules fall short in several areas, primarily because they work against the core functionality of MRP software. This datasheet compares Ultriva's eKanban against typical Kanban modules offered by ERP vendors. While it is understood that the Ultriva eKanban solution would never replace your ERP system, this document makes a strong argument for complimenting your ERP system with Ultriva's Collaborative Supply Chain Solution with eKanban instead of deploying one of the many ERP Kanban modules on the market today.

Function	Ultriva eKanban	ERP eKanban Modules
Establishing multiple loops	Physical material flows in series of interconnected loops: Supplier to Raw Material Warehouse (RMW); RMW to point of use, Finished Goods Assembly to Distribution Center (DC); DC to the end customer and so on. Ultriva allows its customers to concentrate their efforts at any loop (customer, internal or supplier) to start with and then move upstream or downstream as necessary.	ERP systems view material flow as a linear process. Based on Finished Goods demand, MRP modules drill down into the bill of materials (BOM) to send replenishment orders to suppliers and production orders to the shop floor. Different sizing parameters are completely absent from ERP Kanban implementations because they are not loop-based.
Consumption triggers	Ultriva allows the triggering of Kanban signals by leveraging the barcode scans directly from the point of use.	ERP consumptions are triggered by back flush or manual transactions. This can lead to data errors as well as latency between actual consumption and the release of the signal.
Kanban sizing	For each loop, Ultriva can support a different Kanban formula. The Kanban parameters can either be computed by Ultriva or take inputs from users during the initial setup. Once the system is live, Ultriva automatically computes the average daily usage, variance of consumption (s/x) etc. to recommend resizing.	ERP's require manual Kanban sizing.
Controlling material flow and supply chain visibility using a work flow engine	Ultriva tracks and traces the flow of Kanban signals throughout the process. Transactions are logged when material orders are released, accepted by the supplier, received, inspected and then finally when put away for consumption. This ensures traceability and visibility.	This functionality is not found in ERP Kanban implementations to the best of our knowledge.



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Real time inventory health dash board	A major challenge on most shop floors is part shortages. The primary reason for this is that traditional inventory management is a reactive process. Material handlers, operators or supervisors become aware of shortages only after it is too late to remediate without cost over-runs, time delays or both. Ultriva provides a Red, Yellow, Green (RYG) dashboard, providing the real time status of the parts that are at risk of stocking out.	This functionality is not found in ERP Kanban implementations to the best of our knowledge.
Proactive alerts based on exceptions	Ultriva is an exception driven system. Most daily tasks are done via scanners, with very little need for users to log in to a computer and manually enter transactions. However, a built-in, exception-based alert engine constantly feeds actionable information to the users. For example, a delayed or partial shipment from a supplier would trigger an alert. A part switching from medium risk to high risk would trigger also trigger an alert. Goods waiting at inspection longer than a defined tolerance would also trigger an alert, and so on.	ERP systems do not have such alerts so users must proactively seek the relevant information. Because of the 'nervousness' and batch nature of MRP based exception reporting, this manual process is normally both time-consuming and difficult.
Improving inventory velocity	Inventory velocity translates into smaller inventory that frees cash to run the business. Ultriva helps companies to increase the inventory velocity of each part by capturing all the material replenishment activity for analysis and improvement.	ERP systems differ widely from one another in their ability to improve inventory velocity, with many not delivering this benefit at all. Too many MRP systems simply apply the forecast, and then justify excess inventory as necessary to on-time delivery. Unfortunately having more inventory doesn't correlate to improved performance if it is the wrong inventory.
Resizing based on actual usage /forecast changes	Ultriva supports the resizing of Kanban by using both historical and forward-looking data. This allows users to respond to changing demand, as well as to support future requirements based on forecasts, new product introductions and product phase outs.	Most ERP Kanban modules don't support this. MRP systems merely have traditional planning modules that use different data sources.

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Validate and optimize lead times	One key metric for improvement is the reduction of supplier lead time. Ultriva provides a mechanism to validate a supplier's true lead time. In most instances we have seen that the lead time was set in the ERP system as far back as several years and never updated even when supplier delivery performance improves. Lead time is an important component of calculating safety stock and for Kanban sizing, therefore it is important to regularly validate and update lead time as Ultriva does.	This functionality is not found in ERP Kanban implementations to the best of our knowledge.
Optimize safety stock levels	Similar to lead time, companies often end up keeping the safety stock as a fixed quantity. In reality, a change in demand patterns could affect the optimal safety stock dramatically, leading to excess inventory or part shortages if not maintained properly. Ultriva computes the variability of consumption in real time, to help you maintain the right safety stock levels and continue driving overall inventory down.	This functionality is not found in ERP Kanban implementations to the best of our knowledge.
Visibility and consolidation of orders	Buyers and suppliers can gain visibility for each order line that is being processed. Suppliers can get their consolidated demands even if the plants are operating different ERP systems.	Some ERP systems offer this functionality in at least a rudimentary manner. Other ERP systems do not offer it at all.
End to end pull process	Ultriva's modules – Collaborative Demand Portal, Lean Factory Management and Collaborative Supply Portal – work together to enable companies to establish an end to end pull process	Some ERP systems offer this functionality as an after-thought to forecast-based "push" replenishment. Other ERP systems do not offer it at all.
Support for multiple types of Kanban cards	Ultriva supports three different types of Kanban cards – Spike card (or single cycle card), seasonal card (cards with a time fence) and infinite cycle cards	Multiple Kanban card type functionality is not available in any ERP Kanban implementation to the best of our knowledge.

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Run line support	Companies can reduce the lot size for their consumption while still meeting the minimum order quantity requirements of their suppliers. This allows companies to aggregate Kanban cards until a run line quantity is met, then the entire minimum run quantity is produced.	This functionality is not found in ERP Kanban implementations to the best of our knowledge.
Single portal for MRP and Kanban orders	Suppliers can also view their forecasts, firm orders and/or Kanban signals through a single portal.	This functionality is not found in ERP Kanban implementations to the best of our knowledge.
Ease of use by the plant and suppliers – Graphic interface	Ultriva customers constantly appreciate the simplicity of the user interfaces along with the intuitiveness.	Most ERP screens are crowded and difficult to navigate.
Extensive supply chain reporting	Reports include Supplier Performance, Inventory Savings, Kanban Resizing Report, Material Status Report and almost 100 other standard reports. Table based screens can be exported to Excel with one click.	The level of supply chain reporting varies by ERP.
Bar code compatibility	Ultriva supports most bar code scanners and printers. 1D and 2D bar code labels.	Bar code compatibility varies by ERP
RFID capability	Ultriva supports most RFID systems.	RFID capability varies by ERP
Time to “go live”	8-12 weeks	Anecdotal accounts indicate implementation cycles for ERP eKanban modules are much longer.
Supplier on-boarding	Onboarding typically takes three to four hours per supplier.	No ERP vendor that supports eKanban outside the customer enterprise has publicly disclosed data regarding supplier on-boarding times.
Proven in the market place	Ultriva is actively used at 175 plants and 6,000 suppliers across 20 countries.	No ERP vendor has publicly disclosed adoption metrics for their eKanban modules.
Integration across multiple ERP systems within a global enterprise.	Ultriva customers have integrated Ultriva with as many as fifteen different ERP systems, across scores of plants in multiple countries and time zones.	ERP vendors tend to make it difficult to integrate their functionality with competitors' systems.