A JD Edwards Success Story

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ABOUT THE CLIENT

This client is a distributor of brake repair and replacement parts and assemblies. As experts in brake and hardware for over 40 years, they have the most comprehensive product line coverage and are the largest provider in North America. They supply the automotive aftermarket by selling their products through auto parts dealers.

Headquartered in Ohio, the client now shares a distribution facility with a sister company in Indiana. This has allowed them to expand their product line to include brake hardware for disc brake vehicles, drum brake hardware, self-adjusting parts, disc brake pistons, caliper repair kits, steel brake lines, brake pad electric wear sensor kits, and parking brake kits.

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THE BUSINESS CHALLENGE

When evaluating past purchases, our client found that they were over-ordering on slow-moving products and under-ordering on items that were moving much quicker. These purchasing decisions were being made based on their demand forecast, which should have been providing them with accurate numbers. The standard JD Edwards forecasting functionality can be incredibly helpful, but the client was having some trouble getting accurate demand forecasts for their inventory. Along with inaccurate demand forecasts, they were having trouble keeping track of what inventory they did have, due to a disorganized warehouse tracking process.

Additionally, although the client had been running JD Edwards as their ERP for years, recent retirements and staff turnover meant that their current team members needed additional training on JD Edwards and necessary business processes.

In an effort to address their fulfillment and inventory issues and get new team members up to speed on JDE, this client turned to our team for assistance.

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TECH TALK

ERP
JD Edwards World A8.1

RF Platform
DSI

THE BRITESKIES SOLUTION

Business Process Review

In order to accurately assess their fulfillment issues, our team started the project with a Business Process Review. The client team walked us through their business process during a site visit, which allowed our team to identify where issues were occurring and how the client was leveraging their JDE software.

As a result of the BPR, our team was able to make recommendations on changes to be made to certain functional areas. We summarized those findings, prioritized them according to effort and impact, and reviewed them with the client's management team.

The functional areas that were identified in the BPR were:

- MRP
- Production
- Technology

- Sales Orders
- Procurement
- Pick Pack Ship

Each of these areas had multiple findings and recommendations that identified ways in which the client could be better leveraging JD Edwards to solve their fulfillment issues.

Forecasting

One of the big issues the BPR highlighted was the discrepancies found in the client's forecasting. They were utilizing standard JDE forecasting functionality to predict their ordering and fulfillment needs, but the numbers being generated were proving to be inaccurate. To fix this, our team identified the forecasting method that best fit their business model.

Our team configured a version of forecasting that we thought best aligned with their organization. To test it, we set up forecasts for a six-month period in the past. Instead of forecasting into the future and hoping for the best, this method allowed our team to gather the forecasted numbers and compare them to actual sales results from past months for accuracy. In comparing the data, we saw some big differences between the forecasted and the actuals.

With concrete data available, our team was able work with the client to refine the forecasting methods to see what was causing the discrepancies. One hiccup that was identified early was that the demand forecast was including sales histories from specific customer forecasts. This meant that they were double-dipping on customer forecasts, which altered their numbers.

For general demand forecasting, JD Edwards generates a forecast that it determines is the best fit and combines that with individual customer forecasts. Those two calculations combined result in the demand forecast for the organization. Through our review, we found that both the best fit and the customer forecasts were including sales histories, effectively doubling that information. In order to solve this, we refined the client's sales history to ensure a more accurate forecast.

RF Devices

Another solution that was identified during the BPR was the potential use of RF devices on the warehouse floor to track inventory. Much of the client's inventory confusion was due to their process of backflushing work orders.

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Typically, in manufacturing, the warehouse issues everything to the bill of material when the components are pulled from stock and staged. In a backflush, however, the materials aren't issued until the order is complete and the person completing it records it in the system. This means the materials are being physically moved around the shop floor without their movements being accounted for in the system. This makes it much harder to keep track of raw material and component inventories – both quantities on hand and their physical location in the warehouse.

In this situation, it was impossible to get an accurate inventory for raw materials, components, or finished goods until the worker finished the production run and backflushed their work orders. Until that backflush happened, another person trying to locate a completed order or any of the materials needed to create that item didn't know what materials were in process and where. As a high-volume shop with quick-moving items, this was a huge issue.

We recommended the use of RF devices that the client was already using to record transfers as a solution to the fulfillment issues. Floor personnel could then track an item's movements from the stock location to assembly floor, so that others could easily find said item. Just as the RF device is used to track an item from receiving to warehouse, it could now be used to track the item from the warehouse to assembly.

THE RESULTS

Forecasting

With their new forecasting formula, our client can now generate a demand forecast that more closely resembles their actual demand, which can better inform their purchasing process. This means that they now have less of the slow-moving items on hand, while still keeping up with the demand of faster-moving items.

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RF Devices

Now that they are leveraging RF devices in the warehouse, our client has a much better idea of the location of a piece of inventory at any given time. Because the solution already existed for them without the need for new tools or software, they simply had to make sure that floor personnel were tracking materials through the process, as opposed to accounting for everything in the backflush at the end of a shift.

The details and requirements surrounding this particular solution made it a low-effort/high-impact change.

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ABOUT BRITESKIES

Briteskies works with merchants to seamlessly develop eCommerce solutions for B2B or B2C sites. If you are looking to implement a new eCommerce environment, upgrade your current eCommerce site, or need to integrate with your back office systems, our certified consultants have the functional and technical expertise to assist you in achieving your business goals.

We are proud to be a Magento Professional Partner, an IBM Advanced Business Partner, and an Oracle Gold Partner. Our talented team consists of certified developers in Magento, JD Edwards, and WebSphere Commerce, as well as IBM i Application Specialists.

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