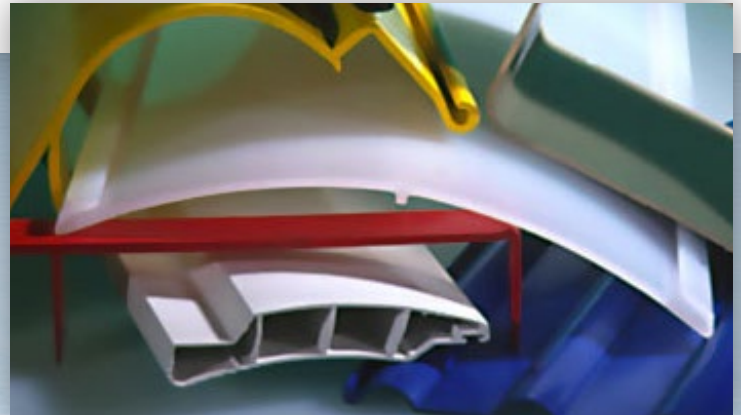




WITH CYFRAME PLASTICS-SPECIFIC ERP YOU DON'T HAVE TO WORK ON INTUITION



Since 1999, Valley Extrusions, a custom precision profile extruder that can handle 100 to 20,000 pieces an hour and regularly runs about 450 SKUs. The firm has been providing customers with the in-house R&D and tooling required to produce tag moldings and label holders as well as a wide range of parts and components for use in everything from track lighting to commercial refrigeration units and lens covers. Items range in size from one-inch square to 18 inches by 16 ft.

Vital Statistics

- ▶ Valley Extrusions' 35 employees run about 450 SKUs on the 12 extrusion lines in a 200,000 sq. ft. plant that also includes storage and warehousing space to accommodate raw materials, packaging and finished products.

Key Challenges

- ▶ After many years with a heavily customized, widely used industry ERP for manufacturing, Valley Extrusions finally accepted the fact the software didn't understand the plastics business and never would. As a result, Valley Extrusions didn't have immediate access to the real-time data that could allow them to further improve efficiency and profitability while accomplishing their goal of delivering even better customer service. Valley Extrusions needed a plastics-specific ERP that could track and flag minimum inventory levels (raw materials, finished products) to improve planning and delivery and manage restocking and customer blanket orders. They also needed an ERP that could access and use the quality, detailed, just-in-time data required for the accurate, actionable reports needed to strategically operate and manage the business.

Why CyFrame?

- ▶ After searching for the right system to drive value in their operations, a Google search led Valley Extrusions to CyFrame. Conversations about internal processes and leveraging real time data in conjunction with CyFrame's demos proved its off-the-shelf software had been developed by people who really understood the plastics industry specifically for companies that manufactured

plastic products. The hands-on approach to mapping their critical objectives and understanding the key opportunities for a quick payback showed Valley Extrusions that the CyFrame ERP could handle the crucial data, such as "pounds per minute/hour" and "feet per second", that was the starting point for reports that determined cost and profitability on a job-by-job basis and seamlessly generated monthly and even weekly P&Ls.

Solution

- ▶ In March 2014, Valley Extrusions went live with CyFrame's ERP for Profile Extrusion.

Benefits

- ▶ Thanks to CyFrame's ERP, Valley Extrusions' senior executives and managers now know which jobs are the most profitable and why and when and where price increases may be warranted. They're also able to identify and troubleshoot problematic tools and dies before significant problems arise to ensure the quality and volumes its customer expect on schedule. As importantly, key employees readily trust CyFrame's ERP to automatically create 40 work orders in just 10 minutes versus the mind-numbing four hours previously required to do it manually.

Valley Extrusions
Allentown Pennsylvania
www.valley-extrusions.com



ERP solutions for the Plastic Industry

“Until we installed CyFrame’s plastics-specific ERP, we’d run Valley Extrusions on intuition because our previous ERP couldn’t run the reports we needed using accurate, real-time facts and figures that were relevant to our productivity, efficiency and bottom-line. CyFrame’s plastics-specific ERP allows us to identify any issues and resolve them within 24 to 48 hours rather than a week or two later. CyFrame tells us what, if anything, we need to tweak today!” ”

- Do we have the minimum number of units Customer ABC requires us to stock?
- What did that job cost us?
- How much scrap did that job generate?
- How many hours did we run that machine to produce those parts?
- What was the profit margin on that job?
- How much did that regrind really cost us?
- How many hours was machine XYZ down last month? Last week? Why?
- Do we have enough raw material to run Customer ABC’s order tomorrow?

Valley Extrusions’ management team, which includes Danielle Saggio, director of operations, knew the questions they needed to ask to run the company as profitably, efficiently and as seamlessly as possible. Yet, the company’s long-time ERP system simply couldn’t track the data in the detailed, timely manner required let alone produce the reports that would provide these answers.

The existing ERP system handled the basics such as order entry, work orders, shipping, receiving and accounting but employees had to manually key in all of the production data, an error-prone, lengthy process. Due to the resulting time lag, if the managers did get answers, it was typically too late to be of any real use, because by then, the products had been delivered, the scrap had been reground, the suppliers had been paid and the customer billed.

“We couldn’t trust our handwritten and Excel reports, so we relied on what we saw happening on the floor day to day or week to week,” says Saggio. *“We were running our business on observation and intuition because we simply didn’t have current, accurate facts and figures.”*

Ideally, Saggio and her colleagues wanted to be able to run the report(s) and make the necessary adjustments just 24 to 48 hours after completing a run. As well, they wanted quarterly, monthly and even weekly P&Ls to ensure they were on track.

“We need to know if a particular tool or die has been causing quality or volume problems, so that we can send it back to R&D to be tweaked,” says Saggio.

After much discussion and negotiation with Valley’s legacy provider around what their system couldn’t do in terms of data management and reporting, Valley Extrusions’ managers decided to



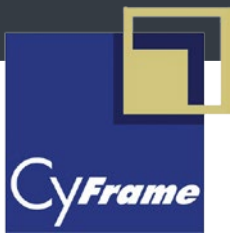
look elsewhere. *“We got to thinking that there had to be viable, off-the-shelf affordable option for profile extrusion other than the big-name ERPs and their contemporaries that require heavy customization just to get rolling,”* says Saggio. *“Because materials are always our biggest cost, the ERP has to accommodate base units such as feet/second and pounds/minute-hour which are the most relevant to our business.”*

Google searches for more tailor made systems led them to even consider custom solutions but, while promising was cost-prohibitive and too risky given the amount of customization required, the delay on implementation not to mention the viability of long term supportability of a single stand-alone system. *“We didn’t want to become software testing guinea pigs, we wanted to produce and ship more plastic profiles efficiently!”* says Saggio.

When Saggio and her colleagues found CyFrame, they saw immediately that the ERP system had been designed and developed for plastics manufacturers by people who had firsthand knowledge of the plastics industry. The way the software accepted and managed the data in the formats Valley Extrusion required and that just a few clicks generated accurate, actionable reports they’d always dreamed about.

“It was almost too good to be true, especially after we did the proof of concept, checked references and then realized that cost was just right for us,” says Saggio. *“CyFrame’s color-coded dashboards for production planning optimization, material requirement planning and purchasing, and reporting capabilities, which include daily P&Ls and standard versus actual costing, – that’s what really sold us!”*

Valley Extrusions’ top customers rely on them to manage restocking programs where they must guarantee a minimum stock level of all of its products at all times. While the existing ERP had tracked finished product inventory levels, it couldn’t be relied on to alert Valley Extrusions’ staff when they were nearing minimum stock targets, mainly because no regular off the shelf ERP could be integrated with reliable production data from the shop floor. Employees had to remember to regularly check stock levels and stock outages were far too common, particularly when customers unexpectedly increase



ERP solutions for the Plastic Industry

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their required volumes. "Now we are really on top of it and there is no greater gift we can give to our clients who depend on us for just in time delivery" says Saggio.

The automated purchasing dashboard also alerts Valley Extrusions' purchaser before they become too low on raw material such as resins, additives, colorant and packaging. This means less last minute surprises that can negatively affect planned production and on time deliveries.

"CyFrame's alerts flag minimum levels for us so we can react in advance and it is working as I recently met with one of our biggest customers, who informed us that they haven't had a single delivery or quality issues since we switched to CyFrame," says Saggio. "Now that's how you ensure client loyalty."

CyFrame's ERP helps management track everything from raw material consumption to internal rejects and how many pounds of scrap a particular run produced. As a result, the R&D and maintenance teams know when there is an issue and can then troubleshoot everything from the tools and dies, to primary and secondary equipment and raw materials.

"CyFrame gives us the data and reports that put us in control – if there is an issue, we know about it sooner rather than later and can drill down to find out why," says Saggio.

CyFrame's real-time, detailed, accurate data shows the actual cost of producing each piece in a run, which can then be measured against the standard costs associated with each and every part in the system. This allows Valley Extrusions to accurately determine the real profit margins on each and every run, identify and flag deviations to guide troubleshooting on the line and elsewhere and as importantly, really look at whether a price-to-customer increase is warranted.

"Being able to identify and correct issues far more quickly will continue to have a real impact on our bottom line, it is something we have been trying to achieve on our own for years," says Saggio.



The CyFrame ERP has the ability to auto-populate work orders and that automation drastically reduces the time and effort required to enter those types of orders. What used to take us 4 hours in order entry, now takes us less than 10 minutes.

"This is one of the many CyFrame capabilities and features that has made my life so much easier," says Saggio. "In this particular area, we really have achieved a 95% efficiency gain thanks to CyFrame!"

CyFrame's ERP has really improved our operational processes, production control and overall profitability while completely solving the previously onerous and cumbersome data entry and reporting tasks that plagued each and every department with all of the data conveniently located in CyFrame rather than across the legacy ERP systems, Excel and paper records.

Valley Extrusions' executive management team had initial concerns around the change resistance they anticipated if employees who were comfortable, although occasionally frustrated by the legacy system, were suddenly faced with a new and dramatically different ERP.

"We knew for certain we'd made the right decision when two of CyFrame's very experienced managers arrived in Pennsylvania for a week and offered us a truly unique combination of ERP and business acumen, industrial engineering and management accounting expertise, all of which was specific and relevant to profile extrusion," says Saggio. "Our employees really got on board once they personally experienced CyFrame's level of commitment and had the opportunity to interact with these CyFrame executives face-to-face. Overall, our employees are happier and more productive because they're able to work on special projects and tasks that make the best use of their skills and experience."

About CyFrame

Since 1987, CyFrame has become the leading international provider of best-of-breed ERP web-based software solutions created specifically for small- to medium-size plastics manufacturers. CyFrame is uniquely positioned to meet the needs of plastics firms because it offers ERP systems that handle both stock and custom product and have been developed specially for injection and blow-molding, profile and sheet extrusion with thermoforming, and blown film and converting manufacturers. The company also offers integrated financial modules, e-commerce capabilities and secure customer account/profile areas. Onsite training, implementation and support services are offered as part of all CyFrame's ERP solutions.

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