



## EnterpriseIQ Is Cornerstone of Success for Top Molder

### **Best Choice For Lean Culture**

Plastics manufacturers in the U.S. have long faced obstacles such as economic downturns, off-shore competition, and high material costs. While many have closed shop over the years, United Southern Industries, Inc. of Forest City, North Carolina has taken an unconventional path to success. When faced with increased foreign competition, United Southern made the strategic decision to invest in people, technology and innovation, rather than make cutbacks to remain competitive.

That decision spurred the company to re-invent its culture, creating a more transparent way of doing business; a way that would push lean manufacturing principles from the top down, and empower employees at every level to drive profitability. But doing so required United Southern to change the way it managed enterprise operations.

“Even the best lean practices can be undermined by a lack of communication,” says Todd Bennett, president at United Southern. “Lean success hinges on the exchange of critical business information across all manufacturing areas, from sales and customer service to engineering and quality control, and every point in between. Our old, manual ERP system did not support that exchange, and so it wasn’t a good fit with the more progressive culture we were building to compete in the global marketplace.”

As part of its new culture, United Southern adopted an open-book management philosophy designed to drive costs out of the manufacturing process by teaching employees how to use financial information on the shop floor, keeping employees focused on results, and rewarding their successes. In the mid-nineties, the company sought to replace its manual-based and disparate ERP system with a solution that would facilitate this new philosophy. Automation, comprehensive functionality, ease-of-use, and most importantly cross-the-board access to accurate, relevant data were paramount. United Southern found the perfect fit with EnterpriseIQ, the innovative, single-source enterprise software solution from IQMS.

“With our old system, no one had access to the same data. There were pockets of information, but nothing was connected, and what information was available was often inaccurate or had to be forced out of the system,” says Bennett. “We looked at a lot of ERP systems, but none were as comprehensive as the IQMS solution. When we saw that EnterpriseIQ had everything we needed in a single-database and from one vendor, we knew the concept was right for us.”

### **The Company**

Based in Forest City, N.C., United Southern Industries (USI) provides a complete range of services including custom injection molding, gas assist, two-shot molding, over-molding, in-mold decorating, and more.

Founded in 1970, USI has a long history of delivering quality parts to Fortune 100 companies in the automotive, lawn and garden, power tools, merchandise display, telecommunications, construction, and industrial markets. The company’s manufacturing facilities meet the highest quality standards and are ISO 9001-2000 certified with 24/7 capacity. From investments in state-of-the-art technology to investments in employee training, USI is committed to doing business in a way that is *far from business as usual*.

United Southern moved to EnterpriseIQ in 1996 when the system was in DOS format. Since then the company has received no-cost upgrades, and now operates EnterpriseIQ using a Windows environment and wireless technology. When many ERP packages have a five year shelf life, utilizing and growing with one system for over ten years is a significant achievement.

“IQMS understands the specific demands we face as a plastic molder and has allowed us to build our lean culture with the confidence that our business will never outpace the technology we’ve selected to run it,” say Bennett.

### ***Productivity Drives Profitability***

United Southern previously relied on manual data systems to manage critical enterprise operations such as inventory and scheduling. Within the manual system, the company had no way to track scrap, or easily access bills of material or machine data, so what happened on the shop floor was not necessarily reflected in accounting and scheduling. Inventory was particularly stressful.

“We spent two or three days every month counting all the parts on our floor, and another three to four weeks trying to reconcile those numbers,” says Bennett. “By the time we finished, it was inventory time all over again and our variances could be as much as \$100,000 each month.”

Managing monthly inventories against the company’s increased production schedule became arduous, and the lack of consistent, accurate enterprise data prevented United Southern from knowing its true cost of doing business.

“It seemed every day there were more fires to put out, and we had no idea whether we were making money or not,” says Bennett. “There were a lot of ERP products out there that did specific things like machine process monitoring, but we needed a central nervous system, not a single nerve. That’s why we selected EnterpriseIQ.”

As a comprehensive, single-source system, EnterpriseIQ is written, developed and supported by IQMS, with all modules built on one database. This means the functionalities United Southern relies on, such as Inventory Tracking, Finite Scheduling, Purchasing, and RealTime Machine Monitoring work in unison with the same data, and can be easily accessed and used by anyone in the company.

With EnterpriseIQ in place, United Southern has improved machine utilization, reduced overages, improved cash flow, and tightened its production schedule. Automated cycle counts enabled the company to eliminate the labor and frustration of monthly inventories that used to take days to count and weeks to reconcile. Now the company conducts a single, end-of-year count at its two facilities in only three hours time, with variances as low as \$2,000 for \$28 million in sales, as was the case in 2007.

“EnterpriseIQ allows us to go deep into lean manufacturing,” explains Bennett. “Now everyone, from the shop floor to top management, has the same real-time data at their fingertips. Not only can we see what is happening on the shop floor as it occurs, but we can use historical metrics to empower our employees to drive greater efficiencies and make better decisions, which in turn drives greater profitability for us and our customers.”

### ***New Standards of Service***

United Southern takes pride in its ability to drive out hidden costs to benefit its customers' bottom lines. The company also takes pride in its unconventional approach to 24/7 customer service. United Southern utilizes the IQMS RealTime Machine Monitoring module and wireless Warehouse Management System to assist in driving communication at the shop floor level. IQMS was one of the first ERP companies to introduce this leading-edge system that delivers instant information from the plant floor to any connected device. With RealTime Machine Monitoring, United Southern has equipped its customer service representatives with at-home access to the company's EnterpriseIQ system.

"Whereas some molders hold customer service to weekday business hours only, we do better," says Bennett. "Wireless technology lets us access the IQMS system from anywhere. Not only can I log on at anytime day or night to check production, but our customer service reps can respond to our customers instantly with real-time accuracy."

Another area where EnterpriseIQ has enabled United Southern to set new standards in service is with Electronic Data Interchange (EDI). In the past, United Southern handled EDI transactions via facsimile and required a dedicated employee to manage the manual data transfer, a process that took as much as 10 hours a week. Any changes made caused delays and errors, and because manual input could not be performed daily, the process was slow and the company often fell behind schedule.

Since implementing EnterpriseIQ with its EDI Translator, United Southern has saved in labor costs, improved order accuracy, and expedited its schedule. Those benefits alone are tremendous, but according to Bennett, there is an intangible benefit that's even greater: "If you consider customer service speed and accuracy a competitive advantage, then EnterpriseIQ delivers."

### ***A Future Far from Business as Usual***

With EnterpriseIQ as an integral part of its overall strategy, United Southern is pushing beyond what is typical to deliver results that are "far from business as usual." In fact, according to recent trade data collected by The Society of the Plastics Industry, the company's labor costs are seven percent less than other molders its size, and its manufacturing costs are five percent less than the industry average.

"IQMS is a cornerstone in our culture of success," explains Bennett. "Because EnterpriseIQ touches every aspect of our business and is so easy for anyone to use, it has allowed us to weave our quality system and continuous improvement practices permanently into the fabric of our organization. Now our shop floor operators and other employees can see instantly how their efforts impact the bottom line, so every one of our employees is as invested in the company's success as I am. We look forward to the future technology IQMS can provide because we know it will enable us to deliver ever-greater results for our customers for many years to come."

## ***In Brief***

While U.S.-based injection molders have closed shop over the years, United Southern Industries, Inc. of Forest City, North Carolina has taken an unconventional path to success. Faced with increased foreign competition brought on by the signing of NAFTA in 1994, United Southern made the strategic decision to invest in people, technology and innovation, rather than make cutbacks to remain competitive. That decision spurred the company, founded in 1970, to re-invent its culture to push lean manufacturing principles from the top down, and empower employees at every level to drive profitability. To do so, United Southern sought to replace its manual-based and disparate ERP system with a solution that offered automation, comprehensive functionality, ease-of-use, and enterprise-wide access to accurate, relevant data. Since selecting EnterpriseIQ in 1996 for this purpose, United Southern has pushed beyond what is typical in its industry to deliver better value with less cost.

### ***Return on Investment***

- Eliminated monthly manual inventory counts
- Reduced inventory variances by as much as 80%
- Empowered shop-floor operators to effect lean operations
- Streamlined EDI process to save more than 10 work hours per week
- Eliminated excess data entry

### ***Software***

EnterpriseIQ™ ERP software system, including: Customer Relationship Management (CRM), Electronic Data Interchange (EDI), RealTime Machine Monitoring, wireless Warehouse Management System (WMS), Preventative Maintenance (PM), Payroll, Time & Attendance, and more.

### ***Hardware***

Oracle database with windows-based PCs