

IKS – Management Summary

What is Kanban?

Kanban (jap. card, signal) is a method to manage the material flow at a company.

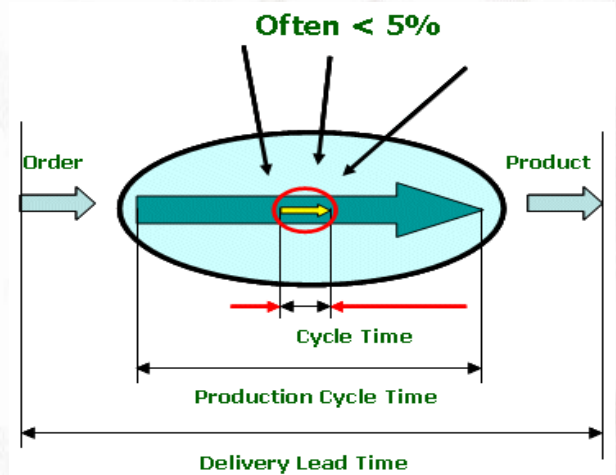
In general you can differ between „Push systems“ and „Pull systems“.

At a „Push principle“ a plan for each production step will be created based on orders and forecast data. Each production step produces exactly what is in the plan. The material will be pushed to the next production step after all parts have been produced.

At a „Pull principle“ a production step produces only what is required by the next step. The material will be „pulled“ by the end of the value chain. At this method self-controlled loops will be installed to deliver new components only if the existing components have been used. The information to deliver new material will be sent by a Kanban signal.

A Kanban system has the following **typical criteria:**

- Only parts which have been consumed will be produced
- Exactly the same amount of pieces which have been consumed will be produced (not more not less)
- All parts must be delivered in a defined period of time (delivery lead time)



Kanban is a basic component of Lean Production!

What are the objectives of Kanban?

- Reduction of inventory
- Increasing of delivery times and delivery performance
- Reduction of internal manufacturing cycle times
- Increasing of productivity in the areas of purchasing, procurement and planning & scheduling
- Increasing of inventory turns (ITO)
- Continuous improvement of total performance and increasing of flexibility
- Increasing of Cash-flows

Contact

manufactus GmbH
Theresienstrasse 8
82319 Starnberg
Germany

Tel.: +49 (0) 8151 — 9093-40
Fax: +49 (0) 8151 — 9093-24
E-Mail: iks-info@manufactus.com
Internet: www.manufactus.com

Why electronic Kanban?

- Elimination of all non-added value activities of a manual Kanban system
- Reduction of possible human errors
- Creation of higher transparency about inventory, orders, bottle-necks etc.
- Standardization of the Kanban processes
- Dramatic reduction of information time and easy sending of information
- Continuous improvement of the Kanban parameter to optimize inventory, lead times and delivery reliability



When is electronic Kanban absolutely required?

- **If the number of Kanban loops increases(>100)**
Benefit:
Easy management of your Kanban system and increased transparency about inventory, Kanban orders, bottle-necks etc.
- **If you have high distances between suppliers and customers**
Benefit:
Easy and automatic sending of signals (fax, email, internet, electronic Kanban Board)
- **If you have material stock-outs or line-stoppages**
Benefit:
Early recognition of possible material shortages
- **If you integrate external suppliers**
Benefit:

Easy sending of information and control of the agreed delivery lead time

- **If you have high inventory levels**
Benefit:
Continuous improvement of the Kanban parameters and optimization of your inventory levels
- **If you have a high vertical range of manufacture**
Benefit:
High transparency and prioritization of your Kanban orders for single product groups or machines

Why IKS?

- Lean and easy to use system
- Basic and advanced functionalities to support Kanban
- Flexible realization of different Kanban scenarios
- Fast implementation at the shop-floor
- Evaluation of special customer requirements in the workshop "Way to electronic Kanban"
- Low costs for customizing
- Fast realization of special customer requirements
- Low effort for installation and training
- Continuous improvement based on customer requirements and needs of the market

Which benefits can be achieved?

- Inventory reduction about 20-80%
- Reduction of manufacturing cycle times about 10 – 90%
- Increasing of Inventory Turn Over (ITO) about 30 – 700%
- Increasing of delivery reliability up to > 98%
- Reduction of needed floor-space about 10 – 80%
- Increasing of material availability up to 100%
- Reduction of line-stoppages down to 0%