

IKS Case Study

Flextronics International



Flextronics International is one of the largest EMS suppliers of the world, which is represented with locations in 30 countries on five continents world-wide. An electronic Kanban systems supports Flextronics to satisfy their customers and to deliver products ,on demand'.

Mr. Stefan Osswald, Director Global Operations - Mechanicals, explains for this: "In the year 2002 we were searching on the market for a software system, which supports us fast on our way to world class manufacturing based on the Pull principle. We wanted a system, from that all employees of an enterprise benefit, from the material manager up to the managing director".

Flextronics provides the following main requirements:

- ✓ Fast implementation time by a simple IT structure and less training expenditure
- ✓ Availability in all languages
- ✓ Simplest applications to production level
- ✓ Reduction of the planning expenditure to a minimum
- ✓ Fast Return on Investment

The total goals by the employment of a Kanban system can be summarized in the reduction of the inventory and floor-space requirement as well as overhead costs. Additionally the inventory turnover and materials availability should be increased. The delivery lead times and the expenditure for planning and scheduling should be reduced in parallel.

Flextronics chooses the **Integrated Kanban System (IKS)** of manufactus GmbH in Starnberg, Germany.

IKS enables a company to design, calculate and optimize Kanban loops at the complete site.

The system supports multi-languages and is very easy to use. This is absolute necessary to get the acceptance of the operators and Kanban Analysts.

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By tracking the Kanban movements via barcode reader the complete Kanban system gets very transparent and human errors will be reduced to a minimum.

The information flow of Kanban signals has been reduced in a drastic way especially for long distances.

Electronic Kanban boards are prioritizing the orders for each area and single machines and show the operators which parts have to be produced next. This is the only possibility to handle the huge number of items and Kanban cards.

Flextronics must react very quickly on changes in kind of produced parts and quantity. To stable the production process it is absolutely necessary to adjust the number of existing Kanbans in short cycles to keep the inventory on lowest levels.

The IKS Demand Manager supports the Kanban Analysts via automatic re-calculation and adjustment of the Kanban levels.

„The reached flexibility is a key factor to control inventory levels. The IKS system helps us to avoid building up new warehouses to store raw material and components" told us Mr. Osswald.



To check if the available capacity of the machines is fine to produce the required components, Flextronics is using the IKS Capacity Module. This tool compares the existing and required capacity and enables the responsible persons to check if any bottle-necks are available. If there are any bottle-necks visible parts can be moved from one machine to another in a fast and easy way.

Via different diagnostic processes and audits IKS is able to optimize inventory levels, material availability and customer service in a continuous way.

IKS supports all Kanban processes at the shop-floor and provides a lot of required information for the daily management of the Kanban system. This guarantees a stable production process with less problems - a positive aspect for the customer and Flextronics.

After a pilot project in the year 2003 in Guadalajara, Mexico, Flextronics starts the worldwide roll-out. In the meantime 15 Flextronics sites are using IKS. The most of them are located in China where the language is a key factor for the acceptance of the system.



„Flextronics has reached significant savings by using IKS.

The inventory levels and also the required floor-space have been reduced by the half and the material availability has been increased to 99% at the moment. This causes saving of millions of dollars" so the summary of Mr. Osswalds.