



## Microsoft Dynamics Customer Solution Case Study



## Leading Packaging Product Manufacturer Consolidates Processes to Control Costs

### Overview

**Country or Region:** United States

**Industry:** Manufacturing

### Customer Profile

Sekisui TA Industries (STA) is a worldwide leader in carton-sealing applications and the largest producer of water-based acrylic packaging tape in North America.

### Business Situation

Outdated and disconnected systems made conducting business across departments inefficient and labor-intensive.

### Solution

STA deployed Microsoft Dynamics™ AX to consolidate and integrate its key accounting, shipping, and production systems.

### Benefits

- Controls manufacturing process and costs
- Integrates and streamlines business processes
- Improves customer service
- Speeds critical tasks with minimal disruption

“Microsoft Dynamics AX helps us control costs and manufacturing processes by delivering better inventory control, more accurate data on reports, and better integration between departments.”

Philip Wong, Manager of Information Technology, Sekisui TA Industries

Sekisui TA Industries (STA) is a global manufacturer of package-sealing applications with headquarters in California, manufacturing operations in Tennessee, and 200 employees. The company had maintained a number of disparate systems to support its accounting, shipping, and production processes, which often resulted in manual, duplicate data entry and frequent errors. With these processes draining service levels and efficiency, STA could not sustain growth or profit margins. With help from Microsoft® Gold Certified Partner Advanced Systems Integration (ASI), STA deployed Microsoft Dynamics™ AX. Using Microsoft Dynamics AX, STA lowered variable and fixed costs by streamlining business processes and improved customer service. STA now executes critical tasks with minimal disruption. This flexible, fully integrated business management solution meets STA's unique business needs.

“We accomplished all of our goals with Microsoft Dynamics AX. Everything is on one system; we gained more control over our manufacturing process and reduced our variable costs by increasing yield.”

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## Situation

Sekisui TA Industries (STA) manufactures acrylic sealing products and is the largest producer of water-based acrylic packaging tape in North America. Since its inception as TA Industries in 1976, the company has offered a broad line of acrylic carton-sealing tapes, including a comprehensive range of high-performance tapes.

In 1991, TA Industries joined forces with one of its largest customers, Sekisui Chemical Company of Japan. Becoming a subsidiary of Sekisui Chemical Company enabled STA to maintain its rigid manufacturing standards and cutting-edge equipment, guaranteeing the highest quality in all of its products. With a 200-person employee base, the company maintains its headquarters and a manufacturing plant in Brea, California, and operates a second manufacturing plant in Rogersville, Tennessee. STA believes in using technology to improve efficiency and, ultimately, profitability. Running a manufacturing operation in the United States is expensive—particularly in California—so STA continually looks for ways to improve productivity and reduce overhead through technology improvements.

The company operated its manufacturing processes on a 15-year-old legacy system based on Data General, which did not integrate with the accounting, inventory, and sales systems running on an older version of Microsoft Dynamics™ GP. To manage the company, STA relied on numerous isolated applications and workarounds that did not connect to their core business systems. For example, a staging database was used to transfer data from the Data General system to Microsoft Dynamics GP; managers and analysts used more than 10 different Microsoft® Office Access™ 2003 databases, hundreds of Microsoft Office Excel® 2003 spreadsheets, and another hundred Microsoft Office Word 2003 documents for

day-to-day analysis and reporting. Pricing information and bills of materials (BOMs) were manually entered and rechecked, making everyday tasks time consuming and susceptible to error.

The company was drowning in paper and depending on people to accurately transfer data between systems and maintain business processes. Occasionally, because of data entry errors and technical issues from earlier shifts, the weekend and night shifts couldn't complete production runs, or orders would be completed incorrectly.

Because the legacy system failed to accommodate the complexity of STA's pricing structure, sales representatives had to navigate among incongruent systems to process orders. As a result, orders were frequently released with incorrect or missing prices. “It literally took several minutes just to look up the price for one item,” states Philip Wong, Manager of Information Technology at Sekisui TA Industries. “Incorrect prices are a huge customer service and profit margin issue.”

The company's rapid growth also taxed the enterprise resource planning (ERP) systems. The Tennessee plant was built 10 years ago to double production capacity, reduce delivery times, and improve customer service for Midwest and East Coast customers. However, because Tennessee employees could not adequately access business information from the California offices, they had to improvise, which compromised efficiency, quality control, and customer service.

Disparate systems drained resources, reduced efficiency, and led to data errors—ultimately affecting customer satisfaction and the bottom line. To sustain its profits and its growth as a wholesale manufacturer with a 24-hour operating schedule, STA required a

robust solution that would seamlessly integrate all of its disconnected and unrelated systems.

## Solution

STA determined that the best way to reduce costs and increase efficiencies and profits was to implement a modern and fully integrated business management system. After evaluating several business management software solutions, STA chose to deploy Microsoft Dynamics AX, an adaptable, all-in-one solution that scales as business grows. STA appreciated Microsoft Dynamics AX for its flexible support of daily internal operations, as well as for its ability to facilitate information exchange between plants in California and Tennessee. Because Microsoft Dynamics AX offers a range of financial capabilities as well, STA also migrated its financial management processes from Microsoft Dynamics GP. “The flexible, easy customization capabilities of Microsoft Dynamics AX made it the best option for all of our business needs, including financial and operational management across multiple sites,” says Wong, who led the project deployment.

STA contracted Microsoft Gold Certified Partner Advanced Systems Integration (ASI) to customize and deploy Microsoft Dynamics AX. STA chose the ASI team for its comprehensive knowledge of Microsoft Dynamics AX, and for its experience and familiarity with the manufacturing industry. Prior to deployment, Fujitsu Consulting assisted STA with its ERP system selection. Fujitsu stayed on board with STA and ASI through the project launch.

With multiple teams involved and a six-month deployment deadline, ASI adopted useful tools from Microsoft to help facilitate the deployment process—specifically, the Rapid Configuration Tool for Microsoft Dynamics AX. “The Rapid Configuration Tool keyed our

whole team in on one another’s processes and was a critical factor in helping us reduce implementation time by weeks, if not months,” says Wong.

STA implemented a number of modules for Microsoft Dynamics AX, including financial management, inventory management, manufacturing, master planning, project management, and accounting. STA uses Microsoft FRx® financial reporting and analysis software. ASI also developed several customizations to the existing Microsoft Dynamics AX package, including the AX-SMART Multi-Plant module, and Quality Control. ASI’s Multi-Plan module enables employees at multiple sites to use the same system, helping ensure seamless integration with the Tennessee plant.

STA’s long-term strategy of obtaining ISO certification is made possible with ASI’s AX-SMART Quality Control add-on module. STA obtains the ability to automate and fully track quality management across all facets of the company including production, inventory control, sales, and shipping.

The broad capabilities of Microsoft Dynamics AX encompass every aspect of STA’s operations, with 40 employees using the system on a daily basis. Everyone—from customer service representatives to shop floor supervisors—can now conduct business across a single, unified system. Microsoft Dynamics AX addresses each of the major business issues that STA faced.

## Shipping

Previously, the shipping department could not enter freight charges into the accounting system, so shipping employees submitted a paper copy of the bill of lading, which accountants manually entered. If the bill of lading was lost, or if a data entry error occurred, the customer might not be billed correctly—or at all—for the shipping charges.

Now, employees in the shipping department record freight charges in Microsoft Dynamics AX, and the information transfers seamlessly to the customer's bill.

### **Sales**

In the past, STA's sales order process was so complex that every order had to be formally double-checked and signed off. Sales units of measure did not match the inventory units of measure, so salespeople had to manually check the conversion every time they entered an order. Pricing was held in a separate system, so each price had to be manually verified and entered. Now, Microsoft Dynamics AX stores all units of measure and makes the conversions automatically, eliminating the need to double-check orders. With Microsoft Dynamics AX, order entry time has been reduced significantly and errors are minimal.

### **Production**

Before Microsoft Dynamics AX, sales orders drove the production department. But the sales order did not automatically break out the materials into BOMs and routes—previously, that information was manually entered into the manufacturing system. In addition, because pricing and costing were very difficult to track and transfer between systems, they were often out of sync. The inability to proactively modify pricing directly cut into profits. Using Microsoft Dynamics AX, sales and production departments communicate transparently. Pricing is always competitive, and changing prices to match market demands is effortless.

### **Multiple Plants**

With most of the business management and manufacturing system resources centered in California, the Tennessee plant had successfully run its manufacturing operations using stop-gap measures, spreadsheets, and standalone databases. With Microsoft Dynamics AX, Tennessee and California

plants can be on the same system, manufacturing the same products, and still have different BOMs, work centers, and routes. People at both plants now have the tools that empower them to do their jobs, and efficiency, quality, and customer service have improved.

### **Administration**

Administering a business management system that was based on paper, spreadsheets, and manual data transfers was extremely time consuming, and the IT department was constantly in crisis-management mode. Now, IT has just one system to maintain, upgrade, and back up. "The IT staff no longer has to worry about data discrepancies, act as the middle-man between departments, or face fury from users," remarks Wong. "Information flows seamlessly across departments, managers can analyze data without the intervention of a business analyst, and paper usage has dropped drastically."

### **Benefits**

"Microsoft Dynamics AX helps us control costs and manufacturing processes by delivering better inventory control, more accurate data on reports, and better integration between departments," says Wong. "Microsoft Dynamics AX has made a huge difference in a short time." With Microsoft Dynamics AX, everyone at STA gains *RoleTailored* access to accurate data across all of its processes in a customizable, integrated solution that helps reduce errors, improve customer service, and speed critical tasks. STA is now poised to meet additional goals, including zero major defects, implementation of ISO 9001, improving on-time deliveries, and reducing lead times on stock items to same-day shipping.

“The implementation is a success because STA is seeing immediate improvements day-one from the go-live date. STA is getting the benefits it wants in a familiar environment—all without disruption to business.”

Michael Forte, Senior Consultant, Advanced Systems Integration

#### **Controls Manufacturing Process and Costs**

“We accomplished our major goals with Microsoft Dynamics AX,” states Wong. “Everything is on one system; we gained more control over our manufacturing process and reduced our variable costs by increasing yield.” Microsoft Dynamics AX also helps STA reduce fixed costs by improving efficiency, reducing overtime, and cutting expenses.

#### **Integrates and Streamlines Business Processes**

Microsoft Dynamics AX helps STA operate more efficiently within departments and between its two locations by replacing disparate systems and consolidating critical business processes. And because Microsoft Dynamics AX provides a familiar user experience, the transition was effortless for employees who already use Windows® XP and Microsoft Office SharePoint® Server 2007.

The modules that STA implemented give employees a full view of their processes. “The inventory control module integrates both production inventory and warehouse inventory automatically,” says Michael Forte, Senior Consultant for ASI. “So now, the shipping and production departments can view inventory numbers from the same system, eliminating any discrepancies.”

Because Microsoft Dynamics AX integrates systems in the back office and on the shop floor, information is always up-to-date and available in a single application for reporting and analysis, so employees can share real-time data and respond quickly to requests for order status, freight charges, and delivery queries.

#### **Improves Customer Service**

With Microsoft Dynamics AX, employees can execute the processes unique to their roles with the confidence that business information

is current and accurate—and that all other users are operating with the same data. The ability to provide users with a single, accurate, up-to-date version of the company’s business data enables better customer service and quality control.

Microsoft Dynamics AX significantly reduces the time it takes to answer customer inquiries. For example, a customer service representative’s average time spent looking up available inventory, finding a return authorization, or locating an order by its purchase number was dramatically decreased by 70 to 90 percent. With help from Microsoft Dynamics AX, STA developed enhanced customer services as well, such as rapid access to accurate product information, warranties, service contracts, and return and repair policies.

In addition, STA employees no longer need to double-check data entry, as errors are minimal. “Reducing the need to manually cross reference and enter pricing for every sales order line within the pricing structure system is a huge timesaver right away,” says Wong. “Microsoft Dynamics AX performs these functions automatically.”

#### **Speeds Critical Tasks with Minimal Disruption**

Microsoft Dynamics AX provides powerful, out-of-the-box functionality and is easily customized, making it an ideal solution for STA’s unique business challenges.

Wong states, “We’re glad that Microsoft Dynamics AX can be customized to support our complex, almost bizarre pricing structure. The time it takes to pull up a price quote is dramatically reduced, and our customer service levels are up.”

Because of the flexible, layered technology of Microsoft Dynamics AX, STA can easily build and maintain a business structure that fits its needs. And because one layer can be

## For More Information

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[www.microsoft.com](http://www.microsoft.com)

For more information about Sekisui TA Industries products and services, call (714) 255-7888 or visit the Web site at:

[www.sta-tape.com](http://www.sta-tape.com)

For more information about Advanced Systems Integration, Inc. products and services, call (949) 597-2170 or visit the Web site at:

[www.advancedsystemsintegration.com](http://www.advancedsystemsintegration.com)

customized without affecting the functionality of other layers, the company can adapt and upgrade its solutions over time—making Microsoft Dynamics AX a sound investment.

“The implementation is a success because STA is seeing immediate improvements day-one from the ‘go-live’ date,” says Forte. “STA is getting the benefits it wants in a familiar environment—all without disruption to business.”

## Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what’s most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to:

[www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)

### Software and Services

- Microsoft Dynamics
  - Microsoft Dynamics AX
- Windows XP
- Microsoft Servers
  - Microsoft Exchange Server 2003
  - Windows Server 2003

### Partners

- Advanced Systems Integration, Inc. (ASI)