

Lean in Action from SAP Up Close on Two Lean Leaders

GREENHECK FAN COMPANY

Customers around the globe rely on Greenheck Fan Corporation, the worldwide leader in the manufacture of quality air movement and control equipment, for everything from comfort ventilation to ventilating entire manufacturing plants. To meet their customers' needs, Greenheck maintains 14 manufacturing facilities across the United States, as well as one in China, and a dozen distribution centers in the United States, Dubai, Shanghai, and Mexico.

Profile

Industry	• HVAC and plumbing equipment
Revenue	• US\$350 million
Employees	• 2,300
Location	• Schofield, Wisconsin
Web Site	• www.greenheck.com
SAP® Solutions & Services	• SAP for Industrial Machinery & Components solution portfolio • SAP for Industrial Machinery & Components solution portfolio
SAP Software Reseller	• itelligence Inc.

Operational Benefits

KPI	Impact
Factory schedule attainment	+10%
On-time shipping	+15%
Distribution productivity	+15% in the shop; +20% in the office
Accounts receivable productivity	+17%
Accounts payable productivity	+16%
Purchasing productivity	+36%
Equipment output	+18% without increasing shop headcount

“Our biggest achievement from implementing lean manufacturing at Greenheck was enabling us to grow our business in a down market.”

— Don Brekke, Vice President of Information Technology, Greenheck Fan Corporation

WILSON TOOL INTERNATIONAL

With a presence in virtually every industrialized nation, Wilson Tool International is the world's leading independent producer of tooling systems for sheet metal fabricators. Boasting the industry's largest dedicated tooling sales force, Wilson Tool's focus on product innovation, quality, and reliability – and a drive to ensure its customers' success – are the factors fueling the company's global growth.

Profile

Industry	• Industrial tools and metalworking machinery
Revenue	• Private
Employees	• 500
Location	• White Bear Lake, Minnesota
Web Site	• www.wilsontool.com
SAP® Solutions & Services	• mySAP™ ERP application • mySAP Customer Relationship Management application • SAP® E-Commerce application • SAP for Mill Products solution portfolio
SAP Software Reseller	• itelligence Inc.

Operational Benefits

KPI	Impact
Productivity gain	+27.4%
Lead-time reduction	-24.9%
Setup time reduction	-53.6%
On-time delivery	+0.5%
Travel distance reduction	-57.7%
Space reduction	-43.1%
Quality improvement	+21.7%
Standard work documentation	+100%
Inventory reduction	-20%

“We expect to achieve a return on investment within two years through more efficient inventory control, faster inventory turns, and internal efficiencies.”

— Mark Haupt, IT Manager, Wilson Tool International

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Greenheck Goes Lean

Always facing shorter lead times, in 2002 Greenheck decided to replace its 20-year-old legacy system that could no longer support the company's growth strategies. Greenheck required a solution that could handle the lean manufacturing of dimensional products and the multitude of associated characteristics that go with them. The company selected solutions from the SAP for Industrial Machinery & Components solution portfolio and chose the SAP NetWeaver® platform on which to build its lean manufacturing system.

Full Support for State-of-the-Art Lean Manufacturing Processes

With its own version of the Toyota Production System – the Greenheck Production System – Greenheck takes lean seriously. In addition, it employs demand flow® technology to manage its kanban card system.

Within the production system, SAP® software provides comprehensive support of Greenheck's lean manufacturing, procurement, and distribution processes. This includes electronic kanbans between work centers, with vendors, and from stock room to assembly lines. Kanbans trigger the creation of purchase orders that print at the vendor's site. It also includes the sophisticated configuration capabilities Greenheck needs to design its complicated, engineered-to-order dimensional products.

Greenheck Fans Itself with Business Benefits

Since beginning its transformation to lean manufacturing, the crowning benefit to Greenheck has been its ability to grow in a down market. That's how efficient the company has become, and it did it without additional headcount. The ability of SAP software to support electronic kanbans and real-time data to the shop floor has helped Greenheck manage its ongoing challenges – shorter lead times and satisfied customers.

Wilson Tool Retools for Its Future

With 20,000 customers around the world, the focus of attention at Wilson Tool is always on customer service and increasing efficiencies to bring new products to market. In 1999 the company focused on the fact that its business management software was outdated, and it needed new software solutions to provide a foundation for its production and financial systems, and customer service applications. That year, Wilson Tool chose the mySAP™ ERP and mySAP Customer Relationship Management applications on which to grow its future.

Laying the Lean Manufacturing Highway

Since it implemented SAP® software, Wilson Tool has instituted many lean practices, including its own version of the Toyota Production System, demand flow® technology, kanban and vendor kanban, and more. Although the company is in the first stage of its lean manufacturing journey, it has already built the backbone to support its production processes with SAP solutions. And other lean initiatives are happening throughout the company. For example, the SAP Business Workflow tool has enabled Wilson Tool to automate its steady flow of communication containing customer requirements and design elements, and then easily convert them into manufacturing and production requirements.

Wilson Tool Carves Out Business Benefits

Just planning for lean has already produced operational benefits for Wilson Tool, including the ability to initiate its engineer-to-order processes with speed and precision. The financial and strategic benefits of going lean abound at Wilson Tool, as well. These include reducing order errors, driving down the rate of returns, growing the business without growing the staff, reducing receivables, and increasing the overall efficiency of doing what Wilson Tool does best – tooling a future for its customers.

To hear from our other industrial manufacturing customers, please visit the SAP Web site at www.sapmanufacturing.com.