EVA COATING INDUSTRIES SDN BHD

Improved customer satisfaction - arising from on-time delivery of the correct raw materials or finished goods every time.

The global Chemical Coating Industry possesses is one of the most complex and dynamic environments for inventory management. Poor inventory management heightens the risks of financial impact to the bottom line and missed regulatory compliance.

In that regard, inventory management is well and truly a mission-critical operation in the Chemical Coating Industry. Inventory managers need to deal with:

1. Stringent compliance requirements with regulatory control and reporting.

2. Complex and vast number of items (eg. Easily over 30,000 SKU).

3. All inventories either delivered from new purchased (eg. Raw Materials) or created from manufacturing processes (eg. Work-In-Progress or Finished Goods) that require different storage conditions.

4. Understanding the nature of chemical inventories where certain chemicals cannot be mixed with others and thus would need to be stored separately in different storage facilities.

| EXECUTIVE SUMMARY

COMPANY:
Eva Coating Industries Sdn Bhd
www.everflex.com.my

INDUSTRY:
Manufacturer of automotive paints

5. Different shelf lives of various inventories.

6. Tracking inventory from the time of purchase to usage to disposal.

7. Hazards such as leakages and vaporization (which lead to inventory losses) etc.

Given these challenges, basic inventory systems that just manage inventory levels is not enough. In the Chemical Coating Industry, an inventory system that can provide an understanding of inventory characteristics is required.

Eva Coating Industries, a leading manufacturer of automotive paints, had an inventory list of over 30,000 SKU. They came to Chronos to develop an inventory system than could significantly improve the management of their complex inventory requirements and characteristics throughout the entire manufacturing process, right from raw materials to work-in-progress and to finished product. The system needed had to overcome the challenges of shelf life control, batch tracking, productive picking process etc.

Before implementing eStockCard, Eva Coating Industries were faced with many challenges that impacted their productivity and profitability:

BUSINESS CHALLENGES

- Lack of visibility of inventory positions due to vast number of items.

- Lack of knowledge and visibility on correct placment of controlled chemicals.

- Failure to properly track serial numbers, batch numbers, and expiry dates.

- Picking problem - Failure to locate desired stock items in a timely manner led to a loss of productivity.

1. Lack of visibility of inventory positions due to vast number of items. They have over 30,000 SKU and at any point in time with at least 8,000 active SKU items need to be tracked.

2. Lack of knowledge and visibility on correct placement of controlled chemicals leading to possible regulatory violations due to potential hazards arising from accidental contact of volatile compounds.

3. Failure to properly track serial numbers, batch numbers, and expiry dates. This meant they were unable to use the work-in-progress inventories or ship out finished products timely before product expiry. This resulted in huge losses due to expired inventories being written off. The existing system could not execute the First-In-First-Out (FIFO) approach (to avoid wastage of chemical use nor the Last-In-First-Out (LIFO) approach for samples.

4. Picking problem - Failure to locate desired stock items in a timely manner led to a loss of productivity. Sometimes this meant writing off the stock as "LOST" and incurring additional costs in the form of additional stock usage for a fresh production run or direct shipment to customers.

5. Suboptimal usage of limited storage resources and locations.

6. Shipping of wrong products to customers incurring additional cost to handle returns.

| BUSINESS BENEFITS

- Ability to support and determine stock usage or shipment sequences at inventory code level.

- Properly layout locations where different stocks needed to be placed.

- Reduced the time to locate the items, and eliminate wastage due to write-offs and re-orders.

FIFO / LIFO

Using the eStockCard's ability to support and determine stock usage or shipment sequences at inventory code level, they were able to individually determine if a particular product or chemical component needed to be used on a First In First Out sequence or in a Last-In First Out sequence. This capability provided the much needed flexibility to lower wastage levels across all operations.

BIN MANAGEMENT

Another strong feature of eStockCard is the Bin Management function. Bin Management provided the manufacturer with the ability to:

1. Properly layout locations where different stocks needed to be placed. This advance planning ensured stock with similar characteristics are placed together while volatile or reactive stocks are placed safely apart. Store safety was immediately improved and confusion was also eliminated when searching for stock.

2. Know exactly where products are located, reducing the time to locate the items, and eliminate wastage due to write-offs and re-orders.

The Chronos eStockCard inventory software offered Eva Coating Industries a powerful yet elegant solution that did not require any special IT skills to implement.

The Chronos eStockCard system provides rich, industry-proven functionality wrapped in an intuitive interface to enable rapid deployment with maximum results in the shortest time.

3. Quickly identify required items and provide the optimal pick sequence to improve efficiency of the pickers.

4. Ensure only the right products are picked and used every time.

ISO STANDARD COMPLIANCE

eStockCard is 100% compliant with ISO Standards. This allows customers to quickly implement ISO standards and achieve international recognition.

OUTCOME

In summary, the eStockCard Inventory Software provides users with proven benefits that translate directly to the bottom line:

1. Reduced wastages by over 90%.

2. Reduction in headcount needed to manage the warehouse - made possible by optimal utilisation of storage space and resources, and fully tracked inventory items across the warehouse.

3. Faster time to market - arising from reduced time taken to find and deploy stock into production and reduction of chemical hazards caused by accidental contact.

4. Improved customer satisfaction - arising from on-time delivery of the correct raw materials or finished goods every time.

| FOR MORE INFORMATION

To learn more about how Chronos eStockCard can improve your inventory process, please contact us.

Visit us at:
http://www.estockcard.com

WHAT IS ESTOCKCARD?

eStockCard is a simple to deploy, easy to use but powerful and sophisticated inventory management systems with a powerful bin management capability to enhance inventory traceability and management and low cost.

Simple to deploy – no need for hiring systems integration expert to deploy. Simply download eStockCard, install and set up…and it is ready to use

Sophisticated inventory management systems – Ability to manage small, simple store to a large warehouse. Managing inventory with different characteristics and different requirement easily.

Enhance inventory traceability – eStockCard bin management systems offers the ability to layout your warehouse to identify where to store goods to managing how to efficiently and effectively pick the goods to improve productivity…in short, it offer the ability to always know where your goods is.

Low cost – save money from not need specialize personnel to install and deploy the systems and inexpensive solution, getting power of a warehouse management systems for the price of an inventory management systems, eStockCard significantly improve productivity which leads to lower operating cost by decreasing the amount of wastage and manpower needed.

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