

# Common Sense makes Montreal manufacturer more competitive



There's no big mystery about what Bow Plastics Ltd. has to do to be successful. "We're selling commodity parts," says Controller John Coney. "There's no product differentiation whatsoever. So we have to make our parts better and cheaper than our competitors."

The Montreal-based company makes plastic pipes and fittings at factories in Granby, Que. and Plattsburgh, NY, and sells them to large retailers and distributors across North America. With a 50-year history, Bow Plastics now employs 400 people at its two plastics plants, a copper fittings plant in London, Ont., and its head office and distribution center in Montreal.

To satisfy demanding customers and stay profitable, Bow Plastics must operate its plants at peak efficiency. It can't afford to have idle capacity because molds aren't available where they're needed.

Bow Plastics went shopping for a new ERP system three years ago, when it discovered Y2K issues with its existing system that could not be resolved. The hunt was on for a fully integrated purchasing and accounting system – one that could manage production and strengthen the company's e-business capabilities.

Mr. Coney turned to Montreal-based SIA Service Information Access Inc., an IBM Premier Business Partner. Today, SIA's Common Sense™ ERP software, running on a powerful IBM AS/400 system, is doing everything Mr. Coney hoped for, and more. Other packages Mr. Coney investigated had accounting, purchasing, inventory and MRP (materials requirements planning) functions, but not production scheduling. "SIA's software had everything we were looking for," he says. "The others were missing pieces that were too expensive to obtain."

## **Production: keep the lines humming**

Before putting in Common Sense, Bow Plastics maintained separate, non-integrated PC-based scheduling systems at its Granby and Plattsburgh plants. Common Sense enables Bow Plastics to do global scheduling.

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“Most of our competitors are much larger than we are. The only way for us to compete is to offer better customer service and a better price. SIA’s Common Sense software has been immensely helpful in this regard.”

“This reduces the amount of time we spend transferring molds back and forth between the plants,” Mr. Coney explains. “Because we know the mold is there, we can have it on the machine. This can easily add hundreds and probably thousands of hours of production per year.”

Bow Plastics’ plan is to use the software to create a master production schedule for the entire year. This will increase productivity by 15 to 20 per cent, Mr. Coney expects.

#### **Accounting and purchasing: go with the flow**

When an order is received, each item is verified against on-hand quantities previously determined based on forecasted usage, reorder points and economic order quantities. If sufficient stock is not available, Common Sense’s MRP function recommends the necessary purchase orders, warehouse transfers and production orders. As materials are received, they’re electronically matched to purchase orders. Once goods are produced, a pick list is printed and upon shipment confirmation, a customer invoice is generated.

“This is a fully integrated system,” Mr. Coney explains, “from the demand of our customer for a finished good to the payment of an account receivable.” The new system streamlines administration and ensures that customer orders are never delayed for lack of raw materials.

“We’re only scratching the surface of the potential of the software,” Mr. Coney says. Its financial reporting functions will help him analyze the profitability of the 6,000 items made at each plant. Bow Plastics is also implementing wireless bar-code scanning, integrated to Common Sense, for automating inventory management and warehouse operations.

#### **Facing the future: open for e-business**

Many of Bow Plastics’ customers insist that suppliers accept EDI (electronic data interchange) orders, and levy fines against non-compliant suppliers. Bow Plastics’ old system required manual re-programming every time it wanted to add a customer that used EDI. The \$2,000 charge for this service would eat up the profit of the first few orders, Mr. Coney says.

Common Sense is integrated to Harbinger’s TrustedLink EDI software, so

IBM Premier Business Partner:	SIA Service Information Access Inc.
Customer:	Bow Plastics Ltd.
Solution:	Enterprise Resource Planning (ERP)
Industry:	Manufacturing (Plastics)
Application:	End to end linkage between plants
Software:	Common Sense™
Hardware:	IBM AS/400
Service/Support:	On-going technical service and support. SIA

Bow Plastics is always open for e-business. The company plans to extend the EDI chain out to its suppliers. “We’re a big enough company that there’s no reason we can’t have EDI going in both directions,” Mr. Coney says.

It also wants to enable sales representatives and customers from across North America to submit orders directly into the system via the Internet.

#### **A Powerful Platform**

The fact that e-mail, Internet, faxing and electronic forms are integrated into the AS/400 and Common Sense makes it easy to stay in touch with customers and suppliers. “Our accounting department can fax a

statement right from the screen,” says IT Director Raymond Asselin.

Mr. Asselin praises the AS/400’s “well-known reliability. We don’t reboot more than once or twice in a year,” he says. “How many people can say that about PCs?”

On two occasions in the past four years, Bow Plastics has migrated to more powerful AS/400 systems to accommodate new applications and company growth. “People left on a Friday and came in on a Monday, and it was business as usual,” Mr. Asselin states. “No one noticed anything except better performance.”

#### **Common Sense: Bow Plastics’ secret weapon**

“I could never say enough about the support we get from SIA,” adds Mr. Coney. “They’re always on call. At three o’clock on a Saturday morning during our year-end inventory last November, we ran into a problem. I got on the phone with SIA’s customer service and we worked through the problem. SIA has also integrated significant enhancements to Common Sense based on Bow Plastics’ manufacturing expertise, from which other customers can now benefit.”

Most of Bow Plastics’ competitors are much larger companies. “My 90-degree fitting is exactly the same as the big guys,” Mr. Coney says. “The only way to compete is by offering better customer service and a better price. Improving our information systems has been immensely helpful in this regard.”

With its new ERP system, Bow Plastics has increased productivity, streamlined administration, improved customer service and strengthened its e-business capabilities.

For additional information on how **SIA Service Information Access Inc.** can help your organization, contact us at **1-888-842-0500** or visit our Web site at **www.siamtl.com**

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