

Visioneering

Case Study

Canada's largest independent lighting
manufacturer migrates to Microsoft
Dynamics AX 2012

Thinkmax[®]

About Visioneering

Located in Toronto, Visioneering Corp. specializes in LED & fluorescent lighting products and metal fabrication. It employs over 325 employees and is represented in every province and territory in Canada. Over the years, the company has earned a reputation for using state-of-the-art manufacturing equipment, providing it the unique ability to design, engineer and manufacture complex products quickly, consistently and cost-effectively.

Challenges

Eager to find an ERP solution that would sustain its growth plans, Visioneering initially chose to implement Microsoft Dynamics® AX 4.0 and later migrated to Microsoft Dynamics AX 2012 to take advantage of the latest enhancements to the manufacturing capabilities.

Solution

A migration of this scale promised to be complex, so Visioneering decided to work with Thinkmax, the Microsoft Dynamics ERP 2012 Partner of the Year. With the deep and broad expertise of Thinkmax combined with a strong Visioneering team, the migration was completed on time and on budget in February 2013.

Benefits

The new solution provides numerous benefits, both at the sales and operations levels, as well as higher performance reliability.

Significant efficiency improvement and recurring cost savings in order processing

Over the past five years, Visioneering has increased sales by approximately 25%, which would normally have required the addition of at least two to three new customer service representatives. However, Visioneering has not increased staffing levels. Many manual processes have been replaced by electronic workflows, which have allowed the company to process a larger volume of orders much more efficiently. The result? A burdened recurring cost savings of approximately \$90,000 annually or an estimated \$450,000 cost reduction over a five-year period.

“There are a lot of Microsoft Dynamics AX partners out there and I’ve gone through quite a number of them. Thinkmax is the only one that meets my standards. The expectation is: don’t charge for something that has no value simply because you spent some time on it. Have the right expertise and right people in place, and build the necessary relationships with Microsoft to know where the product is headed, so that you will only recommend customizations that will make sense in the next release of the software, and we won’t end up spending twice as much on the customizations on the next migration.”

Mahmoud DiMassi
IT Manager

Thinkmax®

Enhanced demand planning

Visioneering has also reaped a number of quantitative and qualitative benefits at the manufacturing level. These include:

Reduced the time spent on preparing and scheduling machine and materials requirements by 83% with the creation of a central knowledge base to produce proper and consistent routings and bill of materials. Previously the production team of supervisors and lead-hands met for an hour and a half to manually compile in an Excel spreadsheet the materials requirements and machine loading. This was not always accurate. In addition, the company was at risk of losing the knowledge of its experts at retirement. Now the review of scheduled orders only takes about 15 minutes.

Improved demand planning to accurately anticipate, plan for and respond to orders. Each time an order comes in, Microsoft Dynamics AX 2012 shows the demand for finished components, those to be manufactured and the optimum manufacturing routing. Now each work centre's schedule reflects the required machine set-up, routes and capacity loading.

Deeper insight into bills of materials and labour costs. By drilling down to the needed detail level, Visioneering can compare estimated and actual costs, and analyze the causal factors of cost variances to budget.

Better inventory control

Inventory control has also improved. The firm can now make more informed and accurate decisions on required make to stock quantities. This is achieved by incorporating a weighted factor into the analysis of transaction history, such as the number of customers and their buying volume, while also factoring in the available inventory. This reporting enables Visioneering to selectively analyze these factors and reduce the risk of running excess inventory and elevated carrying costs.

Simplified technology administration and higher reliability

Another advantage of the migration to Microsoft Dynamics AX 2012 is that Visioneering has been able to eliminate 80% of the code modifications. This translates into significantly less downtime. The system now runs at 99.9% availability including scheduled maintenance.

"As far as inventory is concerned, Microsoft Dynamics AX 2012 allows us to not only look at the demand, but to also look at the history. In the past, someone could say that the company needed to produce a certain quantity of stock based on how much we typically produced over the past year and keep three months on-hand, but that person did not necessarily have the benefit of looking at how many customers were buying that specific product. So, you could easily make an incorrect assumption that you needed to produce a three-month supply, when in fact we should only be manufacturing to demand, because it is only one customer that is buying it. This has enabled us to considerably reduce the risk of running excess inventory."

Steven Anderson
Director of Operations