

SUPPLY CHAIN REDESIGNED WITH TXT SOFTWARE

VALUE OPPORTUNITIES

- *Provide the company with an integrated supply chain (reformulating the processes, systems and organization)*

TXT E-SOLUTIONS RESPONSE

- *Demand Planning*
- *Production Planning*
- *Operations Planning, Scheduling & shop floor control*
- *Order Management (ATP)*

RESULTS

- *Centralized planning of all Supply Chain processes*

Lastra expects the new model to generate the following benefits:

- *Lead-time reduction in order implementation and better throughput in factories*
- *A fall in inter-company orders*
- *Better planning of strategic raw material procurement*
- *Shrinking of stock levels and current assets*

Corporate Profile

www.lastragroup.com

The company origins date back to 1969. The business acumen and overriding commitment of the founder Mario Ziletti led Lastra to become a specialist in the manufacture of offset plates for the graphics sector. Through a series of corporate take-overs, initially in Italy (Plurimetal, Verona 1990 – Plate, Sulmona 1996) and then in the U.S. (Western Lithotech 2002), Lastra could soon boast a total production

capacity of approximately 45 million m² making it the fourth largest offset production company in the world. As from August 2004, Lastra opted to become part of the Agfa Group, this decision being motivated by the desire to avail of a partnership with a leading multinational company. The company has its head-office in Manerbio (Brescia), an annual sales figure north of € 240 million and a payroll of over 600 employees.

Supply Chain Context

Following the successful buying spree of the past years and consequent to becoming part of the Agfa Group, in 2004 Lastra decided to perform a thorough overhaul of its Supply Chain Management. The basic imperative was the Company's requirement of centralized operations. Despite their high ICT level and production efficiency, the new companies were all independent entities operating through their own systems and procedures. A client order originating in the Manerbio head-office had to be spun-off and forwarded to Agfa and to other plants, all dealing in the same production. The underlying operating logic was of the "client-supplier" type and running on an integration system designed exclusively on the reporting method; this implied longer periods for order processing and

consequently laborious inter-company operations. Furthermore, different production strategies in each company and different goals – service level objectives in one, cost reduction in another – were actually a hindrance to aligning the activities of factories which, at the end of the day, translated into longer intervals for order implementation. Another important imperative was setting-up an alignment with Agfa, its organization structure and Supply Chain philosophy. Lastra took full advantage of its entry into the Agfa Group to totally overhaul its work philosophy and Supply Chain management, fine-tune new operating procedures and introduce modern business logic into its know-how and expertise.

Lastra's Challenge

The project with TXT was therefore an opportunity for redesigning the entire value chain and centralizing the planning process, starting with order generation and management and involving demand and procurement procedures. The occasion was also ripe for redesigning the ICT system and standardizing the software suite. Technology is not the sole factor however: at stake are also the processes, management skills, the alignment of companies with their respective

Lastra (Agfa)

business objectives, system inter-operativeness and above all a Herculean team effort undertaken at all levels.

Why TXT?

In its search for a partner, Lastra was on the look out for a supplier that would not only provide the needed software but guide the company on the right path. It wanted people who would enter its world, work side-by-side with users without resorting to an overtly technical approach and in a position to assist the company by conveying an innovative managerial know-how.

TXT was chosen for its skills and the experience accrued in the manufacturing sector in its capacity as a provider of technology and as a consultant in the redesign of the corporate processes.

The Solution

The entire company has been involved in the re-organization process. The first stage of the project – during which Lastra expects to shrink the order implementation period – related to the commissioning of TXT planning and scheduling operations. The solution has offered a

support for a centralized planning of short-term production, that is to say a one-month range.

The Planning Command is headquartered in Manerbio where feasible and optimized production plans are drawn and then despatched to the peripheral plants.

Instead of forwarding the client order to the factory as in the past – when every plant would draw directly from the order portfolio in accordance with its own manufacturing strategies – a production order is now sent. The factories work “quantity-wise” and in perfect synchronization, all part of a single production cycle.

The solution is integrated with the TXT product configuration module that enables cycles, forms and management parameters to be populated to feed MRP and scheduling. Moreover, the shop floor control planning system and feedback allowed for the complete re-utilization of already existing factory terminals, thereby fully valorising previous investments. The factory planning, scheduling and monitoring cycle was further enriched by the function of

shipping planning control, tailor made with TXT support: it synchronizes inter-company and client shipments based on priorities. Integrated with the company’s ERP to the end of effectively managing warehouse movements and stock, such short-term planning and factory executive control applications shall be utilized soon in synergy with TXT solutions – currently in deployment stage – related to ATP order dating, long-term production planning and collaborative demand planning. All with an eye on the redesign of methods, processes and logistical flows within the sphere of function integration and interaction. The centralization of all activities and a better pulse of the market achieved through the fine-tuning of more collaborative processes will enable Lastra to better govern market demand, reduce inter-company orders, improve flows among factories, enhance further the strategic raw material procurement process and trigger a reduction in stock levels and current assets. The project is being utilized by over 200 users.

“TXT has enabled us to redesign all our supply chain linked processes. We have centralized responsibilities, shrunk the degree of designations to factories, defined new relations between users, resources, applications.

We can safely express our utmost satisfaction with the project and we are sure it will generate important benefits for the company both in terms of logistics and lead-time reduction in order implementation as well as in terms of reduction in the stock levels and current assets”

Mauro Battaglia, IT Manager - Lastra