



CDF GAINS VISIBILITY AND EFFICIENCIES WHILE IMPROVING CUSTOMER SERVICE WITH IFS APPLICATIONS™

After running its business on enterprise software systems that did not adequately integrate front-office functions like accounting with manufacturing, Plymouth-Mass.-based packaging manufacturer CDF Corporation is enjoying increased visibility and efficiencies after implementing IFS Applications™ in 2007. This increased visibility of manufacturing operations has allowed CDF to offer customers aggressive delivery times confidently due to excellent available-to-promise functionality.

CDF Corporation, a leader in the manufacture of pail, drum, intermediate bulk container and bag-in-box liners and other products used in industrial storage and shipping containers and consumer packaging, had been running an enterprise resources planning (ERP) solution that was used for financials but not for manufacturing management. Manufacturing personnel entered data into Microsoft Excel™ spreadsheets and forwarded them to accounting, which was inefficient and created the opportunity for error. This disconnect left CDF management less than confident in the quality of information in their ERP system.

“We just weren’t 100 percent confident that we were getting good information on things like how many employees were working on various elements of the business,” Kasberg said. “We didn’t know how many people were working on each product, or whether our standards, material content and run rates were really accurate.”

DISCONNECT WITH MANUFACTURING

Prior to implementing IFS Applications, Kasberg and his management team had limited real-time access to information on day-to-day manufacturing activities. Extensive manual handling of data from manufacturing not only limited enterprise visibility and consumed man hours that could be used more productively, but introduced the potential for error.

“They were entering all of their manufacturing activity on spreadsheets out on the shop floor,” Kasberg said of CDF’s process prior to implementing IFS Applications. “Then they would bring those spreadsheets in and someone else would reenter it into another Excel spreadsheet and add it all together and then take that data and give it to accounting department at the end of the month. There was a lot of manual paperwork moving around. And now there is much less of that. They are starting a shop order, recording their activity, and clocking in and accumulating the time and the cost in the department on more of a real time basis.”

ABOUT CDF CORP

CDF Corporation is a leader in the manufacture of pail, drum, intermediate bulk container and bag in box liners and other value added products used in industrial storage and shipping containers and consumer packaging.

In addition to CDF’s legacy line of liners and accessories for drums and pails, we have also become America’s fastest growing supplier of liners for intermediate bulk containers.



Shop orders in conjunction with IFS Time and Attendance™ also allow CDF to manage time spent by employees and eliminate non value added work.

“We have much better control of exactly how our shop order employees are spending their time,” Kasberg said. “IFS Applications has helped us understand and focus on some of the areas where we are losing productivity from employees.”

TRACKING SCRAP

Many manufactures find it difficult to get solid information on scrap rates—data that can impact both revenue and expenses. This was also the case for CDF prior to implementing IFS Applications.

“One thing most systems have a very difficult time doing was handling our regrind calculation in the cost,” CFO Kasberg said. “This was one thing IFS was able to help us with. This is a fairly substantial number for most of our drum and build products. Regrind is a scrap number that we assign a value to because we send it back to our supplier, and we get value back. So if we put 100 pounds of material in at a dollar per pound, the actual cost was really less than that because we got 50 pounds back at 50 cents per pound. So our real cost is only \$75, not \$100, and not too many systems could handle that calculation and put it into the right inventory category that can be managed.”

MASTERING MANUFACTURING MANAGEMENT

According to Tom McCarthy, manufacturing director of CDF’s intermediate bulk container (IBC) unit, IFS Applications offers day-to-day advantages for ongoing manufacturing operations. Scheduling was a challenge in CDF’s legacy system, particularly in the IBC division which is runs in multiple modes including make-to-stock, make-to-order and configure-to-order.

“We did lots of manual transactions prior to implementing IFS, so we did a lot of things off line,” McCarthy said, adding that manual processes made it difficult to confidently use existing resources to their full extent. “This was thwarting our plans to grow. If we wanted to continue to grow, we needed systems to allow us to grow and not grow our overhead commence with our sales growth.”

The IBC division’s complex business model placed specific demands on CDF’s scheduling processes because it is necessary to confirm that the materials and other resources are available to meet promised delivery schedules.

“The IBC business is about 95 percent custom,” McCarthy said. “But we didn’t want to subject our customers to the lead times of our suppliers, so we adopted a strategy of maintaining stock raw materials so we could produce finished goods with very short—very responsive—lead times. This has been a critical part of our growth. We need to have accurate inventories. We have brought a lot of accuracy to our inventories using IFS Applications.”

CDF handles about 30 high-volume shop orders a month, so available-to-promise functionality requires more than accurate inventory. McCarthy and his team leverage other IFS Applications functionality to ensure that aggressive delivery dates can be met.

BENEFITS

- Enterprise visibility
- Integration with time clocks on the shop floor for enhanced labor accountability
- Multi-mode manufacturing functionality
- Reduction in manual data entry and re-work
- Enhanced usability

SOFTWARE

IFS Financials™

IFS Manufacturing™

IFS Sales and Marketing™

IFS Time and Attendance™



“We can now look at our whole process flow for today and six months down the road. And we can quantify rates of production and number of hours that we need to spend and plan on providing these people so we have them trained and available to support our growth. This prevents problems with service and delivery that could result from overlooking a small part of our process that before we could not adequately manage. Now we have visibility to what is going on and how long it takes and how much it costs.”

Tom McCarthy, Manufacturing Manager
Intermediate Bulk Container (IBC)
division, CDF Corp.