



## Blown Film & Converting Plant Neutralizes Resin Increases With Cyframe ERP



Publipak produces a wide range of bags, films and packaging materials for the industrial, commercial, residential and agricultural sectors. Exports, primarily to the U.S., account for 60% of total sales.

### Vital Statistics

- › Employees: 60 operators, 25 managers
- › SKUs: 800
- › Custom/Standard SKUs: 75:25
- › Raw Materials: 60
- › Customers: 150 with 45 firms representing 90% of sales
- › Equipment: 9 extruders, 16 converting machines, 1 printer

### Key Challenges

- › Data scattered across three standalone systems
- › Impossible to accurately cost and price products
- › Difficult to reconcile orders and actual production
- › Inaccurate raw material inventory delays production
- › 120 person hours to manually update price lists (3 people X 5 days)

### Solution

- › CyFrame

### Results

- › Fully integrated ERP (Enterprise Resource Planning) vs 3 systems
- › 12 to 24-month ROI
- › Pricing reflects true cost to improve margins
- › Production mirrors orders to reduce costs
- › Accurate raw material inventory enables on-time production
- › 30 minutes for ERP to automatically update price lists
- › 3% increase in online orders
- › 5% increase in orders invoiced to 100%

Long-term success depends on healthy margins and Publipak's Rogelio Garcia has increased prices three times in six months because CyFrame gives him the information he needs to make those tough decisions.

"With CyFrame's accurate data, I have confidence in the facts when I tell customers that we have to increase prices due to rising costs," says Rogelio, director, Publipak, a family-owned business since 1986. "We can't keep customers that cost us money."

After just four months with CyFrame, Rogelio already clearly sees how the ERP will help him to improve Publipak's margins in their first year together. After all, CyFrame provides the data he needs to accurately cost and price every one of the 800 SKUs that Publipak manufactures, while improving operational efficiency.

"At this point, the ROI is a sure thing – it's just too soon to say if it will be a 12-, 18- or 24-month ROI, but the benefits I've seen so far are just the tip of the iceberg," says Rogelio, who now relies on CyFrame to precisely compare the actual cost of goods sold versus the expected cost.

Since committing to CyFrame, Rogelio has learned that up to 30% of jobs take 40% more time to complete than indicated in the initial costing. Aside from the impact on how much it really

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## ERP solutions for the Plastic Industry

*“CyFrame now alerts us to production and order discrepancies long before we build up inventory, a major issue we had prior as sometimes we’d notice a year’s worth of unsold, finished product sitting in the warehouse”*

costs to produce that SKU, it can also create production backlogs that make it difficult to meet deadlines.

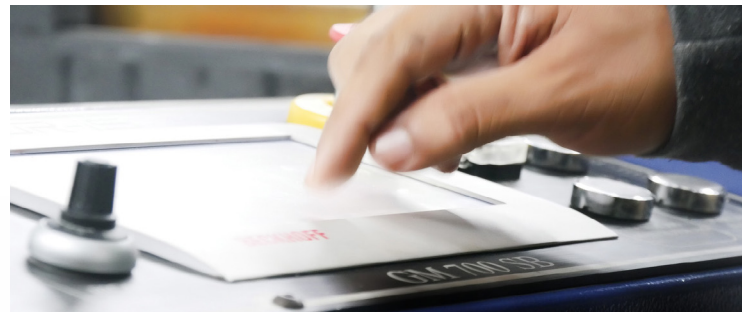
With more frequent price updates due to better costing, CyFrame can modify the pricing on all 800 SKUs in about 30 minutes – that’s a huge time saving on the 120 hours it took to do it manually. Now that CyFrame handles the data entry and creates reports from scratch, supervisors also have more time to manage employees and operations.

### Resolve Issues Earlier to Contain Costs

There’s no doubt Rogelio has better control of his business because he has quick easy access to timely, accurate details about overruns, duplicate production and unsold inventory. Once he identifies the root cause of any anomaly he spots in a CyFrame report, Rogelio can develop and implement a solution before the costs add up month after month.

For example, the ERP showed operators often produced more than customers had ordered and even ran the occasional job twice. Over-runs and duplicate orders had compounded raw material costs and out-of-stocks that affected margins as well as on-time production and deliveries. Likewise orders that operators shorted also made it expensive to keep customers happy. If Publipak had to stop a job to finish filling a previous order, the changeover was costly and inconvenient in terms of downtime and scrap.

“CyFrame now alerts us to production and order discrepancies long before we build up inventory, a major issue we had prior as sometimes we’d notice a year’s worth of unsold, finished product sitting in the warehouse,” says Rogelio, who notes operators always had reasons and excuses for over-production. “Because 75% of our product is custom, there is no way to recover the cost of the raw materials, regrind, production and storage.”



The ERP accurately tracks inventory levels and forecasts raw material requirements based on Publipak’s orders. In the past, operators would go to start a job, discover they were short a raw material and have to delay production, then work overtime to play catchup.

Rogelio knows which orders are scheduled on a machine, what percentage of the order has run, the ratio of produced to good quality parts and even top-performing operators. When he learned reject rates were inconsistent, Rogelio discovered some shifts and certain operators hadn’t been registering all of the rejects or correctly identifying the reason for the scrap.

“Because I know we have user inconsistencies, we can address them with more training,” says Rogelio.

Operators can now view prioritized orders on the touch screen conveniently located on the shop floor. They no longer have to sort through paper-clipped, printed orders randomly stacked on tables and search for misplaced orders and missing pages. Overall, the operators love CyFrame because tapping the touch screen is faster and simpler than manually recording information on timesheets at the end of a shift.

“We’re doubling the number of screens, which have barcode scanners and zebra printers, because they’ve been such a benefit to business processes and operators,” says Rogelio, who will soon have a screen for every two machines.

With the CyFrame ERP, Rogelio and his employees, managers,



# ERP solutions for the Plastic Industry

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supervisors and operators are all reacting to accurate, real-time data rather than days- or week-old information. Because issues are addressed more rapidly, the costs associated with everything from rejects to machine performance don't accumulate over multiple shifts.

## **Faster, More Informed Business Decisions**

“CyFrame gives us tips, tools and best practices and a range of standard and custom reports that will help me make better, more informed decisions more quickly,” says Rogelio.

When Rogelio decided to update and innovate with a single ERP system that would help him run Publipak more efficiently and cost-effectively, he chose plastics-industry specific CyFrame over a generic ERP. CyFrame, developed by people with plastics-industry experience specifically for plastics manufacturers, offered multiple benefits.

“CyFrame’s ERP and team know plastics – we use the same language and the same terminology,” says Rogelio. “I don’t have to explain formulas or provide details on how we need to calculate costs – CyFrame gets it.”

He also liked the fact that CyFrame’s ERP, which is running plastics manufacturing for more than 200 clients in 15 countries, has evolved to reflect customers’ best practices and accommodates multiple currencies.

“I’m learning from best practices that have worked for plastics manufacturers around the world, whether it’s how they measure costs and set prices, manage their recipes or measure and adjust machine speeds,” says Rogelio. “We’ve changed how we do a number of things because of what we’ve learned from CyFrame and their customers.”

Everyone at Publipak, from owner Rogelio to senior managers and operators has had a lot to learn, but Rogelio notes CyFrame’s ongoing training and support are stellar. As expected, the younger employees embraced CyFrame because they’re genuinely interested in using new technology to do their jobs more effectively. Some employees have had to repeat certain lessons with CyFrame but it’s worth it when they accept the fact they really can do a one-click update in 30 seconds instead of labouring over an Excel spreadsheet for 30 minutes.

“CyFrame’s team has been incredibly helpful, knowledgeable and patient with employees who aren’t as computer-savvy,” says Rogelio. “When we call for help, CyFrame is always available.”

## **About CyFrame**

CyFrame is the leading International provider of Best-Of-Breed business and Shop Floor ERP and Shop Data acquisition Software Solutions dedicated to improve productivity exclusively for plastic manufacturing industry such as Blow Molders, Injection Molders, Profile Extrusion, Film and Sheeting Extrusion, Color and Compounding producers, Calendaring Sheeting, Environment Services and Cutting Die Tooling manufacturers.

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