

SAUDER WOODWORKING

ENHANCING THE LEAN JOURNEY

QUICK FACTS

Industry

Consumer goods – mill products

Revenue

US\$700 million

Employees

3,400

Headquarters

Archbold, Ohio

Web Site

www.sauder.com

SAP® Solution and Services

SAP® xApp™ Manufacturing Integration and Intelligence composite application

Implementation Partner

Tata Consultancy Services Limited

After 7 decades of making home and office furniture, privately held Sauder Woodworking Company has become 1 of the most recognizable furniture brands. Sauder is North America's leading provider of ready-to-assemble furniture and the nation's 5th largest residential furniture manufacturer. The company began its growth in 1953 when founder Erie Sauder was granted a patent for the 1st assemble-it-yourself end-table furniture, and it has been growing ever since – to US\$700 million in sales revenues.

Key Challenges

- Increase visibility on execution processes
- Improve manufacturing flow and efficiency by following a strategic direction for lean manufacturing
- Simplify work-order reporting process
- Manage increased IT requests from shop floor
- Find manufacturing shop-floor systems that are lean enablers

Implementation Best Practices

- Strong executive team support
- Initial on-site design collaboration with implementation partner
- Weekly conference calls and high-level design reviews
- Application of strong project management skills
- Consistent communication support and seamless access to multiple SAP resources

Financial and Strategic Benefits

- Improved execution processes on the factory shop floor
- Improved and streamlined connectivity using 1 application to integrate multiple data sources
- Greatly simplified work-order reporting process
- Achieved fast adoption and improved ease of use of new manufacturing dashboards
- Complemented the lean journey at Sauder

Why SAP Was Selected

- Ability to deliver a manufacturing performance application in weeks
- Flexibility to change how shop-floor operators interact with specific processes
- Built-in integration of multiple, real-time shop-floor and business system data sources
- Value of extending the SAP® ERP application without incremental training of shop-floor personnel

Low Total Cost of Ownership

- Delivered implementation in 9 weeks within budget
- Minimized development and testing costs with rapid delivery from implementation partner
- Reduced interface and maintenance support with connectivity to multiple data sources by 1 application
- Accelerated lean efficiencies with SAP solution support

Operational Benefits

- Reduced operator interaction (non-value-added activities) by 85% at the drawer focus factory
- Expect to dramatically reduce the need for training shop-floor operators as the enterprise application landscape evolves



“SAP provides an information-handling application that supports our manufacturing lean journey by providing an enterprise-wide solution that’s flexible to operators’ needs.”

Steve Jones, Vice President – Manufacturing, Sauder Woodworking Company

In Pursuit of Lean by North America’s Leading Provider of Ready-to-Assemble Furniture

Historically an innovative and adaptive company, Sauder Woodworking Company began its lean manufacturing journey in 2002. The current path to fulfilling the company’s overall strategic direction to lean is the implementation of an integrated intelligence tool that can link the shop floor to Sauder’s back-end systems.

At this time, multiple and nonintegrated systems populated the shop floor. As a result, operators experienced difficulties in reporting work-order information. To solve these challenges, Sauder needed a single application capable of integrating multiple data sources.

Sauder Enhances Its Lean Journey with SAP® xApp™ Manufacturing Integration and Intelligence

“It was very important in the main factory environment that we improve visibility and execution,” says David Bunke, manufacturing area leader for Sauder. SAP delivers a software application for just that purpose. The integration of multiple, real-time shop-floor and business system data sources, which is precisely what Sauder needed, is built into the SAP® xApp™ Manufacturing Integration and Intelligence (SAP xMII) composite application. With its focus on lean and low total cost of ownership, Sauder appreciated the fact that the manufacturing performance functionality in SAP xMII could be implemented in just a few weeks. It also noted the value of extending the SAP ERP application with SAP xMII without incremental training of shop-floor personnel.

In 2006, working with SAP and implementation partner Tata Consultancy Services Limited, Sauder identified a pilot project to implement SAP xMII team-leader and operator dashboards and test the application’s ability to connect multiple data sources in its drawer focus factory. The implementation, which began on October 4, ended just 9 weeks later on December 12 with a successful go-live – and a powerful new integration and intelligence tool for the giant furniture maker.

www.sap.com/contactsap

Sauder Carves Out New Business Benefits

SAP xMII has given Sauder new eyes, with increased visibility into production-line processes on the factory floor. How has this helped? “Before SAP xMII,” says Chuck Downing, team coordinator at Sauder’s drawer factory, “whenever an operator wanted to do a piece count, for example, it would take up to 16 steps. SAP xMII brought that down to just one.” In addition, compared to Sauder’s previous shop-floor operator reporting system, called IOV, SAP xMII has greatly streamlined its work-order reporting process. Manufacturing dashboards have been simplified, providing a common and consistent solution. Operationally, SAP xMII is enabling throughput to be increased, while operator interaction (non-value-added activities) has been reduced by 85%.

What are the next steps in Sauder’s lean journey? “Although we implemented SAP xMII in the drawer focus factory first,” says Steve Jones, vice president of manufacturing at Sauder, “there are several other focus factories – bookcase, molding, and doors, for example – where SAP xMII can help transform processes, too.”

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