Automotive parts industry solutions

EXEDY Corporation

Reform core systems with the aim of becoming the world champion of cost
Drive management at all levels of the company, based on accurate data

Introduction
EXEDY Corporation (hereinafter referred to as “EXEDY”) is a globally expanding company that specializes in the manufacture of automotive drivetrain components. The company is driven by the concept of management based on accurate data and it aims to achieve further growth by rebuilding its global management infrastructure. As a result, cost data can be “visualized” — this is fundamental to the manufacturing business and can also be termed the “manufacturing point of origin”. EXEDY plans to take advantage of this outcome in its ongoing business reform and cost reduction activities, and to derive competitiveness from its position as the “cost world champion”.

Challenges
EXEDY has a successful history, with over 60 years as a specialist manufacturer of automotive drivetrain components. In order to achieve the company’s goal of further growth in an increasingly competitive global marketplace, a large shift is taking place from decision-making based on intuition and experience, to “management based on accurate data”.

However, since processes and systems were traditionally optimized for each individual business unit, the core systems used at EXEDY have complicated system configurations. This made it difficult to track on-site information in real time. “For example, the system data did not reflect the actual inventory status, which resulted in issues around making accurate judgments. In addition, although we have seen an increasing trend in transactions with overseas parties, there is a lack of speed and accuracy,” said EXEDY director Mr. Hisayasu Masaoka.

In order to resolve these issues and accelerate globalization, a global management infrastructure that could integrate the information currently scattered across individual systems and take advantage of this information was required. From here, efforts were channeled into the “RE-IS (Re-engineering Information Systems) Project” in order to renew the core systems at EXEDY.
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Solution

The RE-IS Project aimed for an “information system with reliable data that can be easily retrieved at any time”. This means a system in which the information required for on-site administration and management decisions can be viewed and retrieved at any time quickly and accurately.

With a focus on global expansion, securing international competitiveness, flexibility and scalability to support changes in legislative systems and commercial practices were also important requirements. EXEDY’s production and sales systems encompass 19 countries and 37 companies across the world, with an increasing trend toward working with business partners overseas.

Another important point was the time limit of 20 months for developing the new core system. Creating a new core system to link mechanisms such as production management, cost management, sales management, logistics, purchasing, financial accounting and integrated BOM management in such a tight time frame would be no mean feat.

EXEDY selected NEC as its partner to tackle this difficult problem. The most decisive factor in choosing NEC was its overall strength to mobilize a wide range of expertise to provide a complete solution that combined cloud technology and packages. “The proposal to use a cloud-based solution to keep initial investment costs down was realistic, and we were confident that this was the optimum solution to ensure the high level of requirements and quality required within the limited time frame,” summed up Mr. Hideki Yoshino from EXEDY.

Specifically, a combination of products was provided on a private cloud platform. These were the SAP ERP-based global accounting system, the “EXPLANNER/Ja” ERP package for Automotive Supplier that flexibly captures EXEDY’s manufacturing strengths, and the “Obbligato” PLM (Product Lifecycle Management) Solution. In addition, the use of portable terminals for information collection at production sites, and the ability to read product line performance using QR codes, means that the accuracy and speed of collecting performance data is being taken into consideration, while reducing the burden of work on-site as much as possible.

Results

The greatest achievement resulting from the installation of the new core system is the rebuilding of the cost system and the ability to “visualize” costs. “Up until now, it was difficult to collect performance data from production management sites and the costs in the financial accounts differed from the manufacturing costs, which made it difficult to make management decisions based on correct data. Now however, accurate data that reflects production site performance data can be collected easily using portable terminals,” says EXEDY’s Mr. Yoshihiro Shikazaki. From estimated costs to standard costs, target costs and actual costs, costs can now be managed on the same mesh, and even more precise cost data can be rapidly tracked by management.

This reform has opened up a variety of possibilities for data application. “For example, linking budget compilations with cost management enables comparative management of global production costs, highly competitive rate setting, continuous and appropriate cost reduction activities, and timely tracking of profit and loss per product. In turn, this enables accurate management decisions to be made based on correct data,” said Mr. Masaoka.

In addition to this kind of “visualization”, by transitioning from a paper-based system to automatic data entry using portable terminals, the work burden of staff on-site is reduced and accuracy has increased. Automatic data entry is also encouraging a paperless system.

In future, EXEDY’s business administration will take advantage of being able to track cost structures across the company and the company aims to strengthen its competitiveness from its position as the “cost world champion”. Continuous business reform is crucial to achieving this goal. “As a next step, we are promoting “The Introduction of IT to the Design and Development Division”, starting with 3D-CAD technology. This will improve our productivity across wide spectrum in one go, from design to manufacturing, and will also increase work speed,” stated Mr. Masaoka.

EXEDY will continue to strengthen global competitiveness through united efforts across the company and is beginning to take concrete steps in the direction of further growth.