Social enterprise Zonnehovee manages stock more efficiently thanks to automation

Zonnehovee operates as a supplier of companies in the wood sector. It is a social enterprise, but that does not mean that the customers lower their requirements. To be able to work more efficiently, Zonnehovee needed an ERP system with an integrated software module for material requirements planning (MRP).

Zonnehovee decided to work with Ad Ultima, which installed UltimAX Wood, an add-on that it developed itself for Microsoft Dynamics AX specifically for the wood manufacturing industry. Thanks to the ready-made framework, Zonnehovee was able to put the software into use quickly. The MRP module in UltimAX Wood calculates which materials Zonnehovee needs to buy or produce in order to meet the demands of customers.

The processes of Zonnehovee were further automated with the barcode labelling and scanning software of Ad Ultima. As a result, the successive steps in the manufacturing process follow each other faster and more precisely. The organisation is now able to work much more efficiently than before and customers receive a quick and proper service.
Profile

The social enterprise Zonnehoeve is active as a subcontractor in the wood sector. Over the years the organisation has grown into one of Belgium’s largest producers of garden furniture, beds and slatted bases for beds. Some 120 staff work in production.

Challenge

As a subcontractor in the wood sector, Zonnehoeve has to be able to respond to the demands of customers quickly and operate with low profit margins. Storage space is limited, so efficient stock control with as few stock shortages as possible is necessary to ensure smooth internal operations and optimal customer service. Previously the stock was monitored using Excel sheets, which meant that the information was not always accurate or quickly available.

Solution

IT specialist Ad Ultima helped Zonnehoeve with the configuration and installation of UltimAX Wood, an ERP system based on Microsoft Dynamics AX that Ad Ultima had developed for the wood manufacturing sector. Thanks to this read-made framework, Zonnehoeve was able to put the new system into use quickly. UltimAX Wood also contains a module for material requirements planning and was combined with Ad Ultima’s barcode labelling and scanning software.

“Our storage space is limited, but by managing our stock more efficiently we can continue working with as few stock shortages as possible.”

Pieter-Jan Vanfleteren
Zonnehoeve

Benefits

- Efficient stock control
- Higher productivity
- Fast customer service
- Streamlined procedures
- User-friendly
- Commercial asset
- Barcodes for auto-generated work orders
"A social enterprise should not have to rely on charity," says Pieter-Jan Vanfleteren of the social enterprise Zonnehoeve. "Like all companies we have to provide quality and work hard to maintain our competitive position. We are a supplier of commercial companies and if something is not going well, they won’t be softer on us because we are a social enterprise. Also, our procedures are as complex as those of other companies.”

So Zonnehoeve engaged the services of Ad Ultima for installing Microsoft Dynamics AX as an Enterprise Resource Planning (ERP) solution. The recruitment of Pieter-Jan Vanfleteren was also part of the automation project.

“We wanted to have a better and more accurate overview of our stock at all times,” explains Pieter-Jan Vanfleteren. “As a supplier we form part of a complicated technical production process. So efficiency and a reliable, prompt service are necessary if we want to retain our customers.”

**As few stock shortages as possible with limited stock**

In the past the stock control was done with Excel tables. “Sometimes this manual method caused problems,” says Pieter-Jan Vanfleteren. “For instance, if a warehouse worker accidentally deleted something from an Excel table, then this information was simply gone. Now our ERP system always stores a history. So you can always check who did what. This means we can better manage our stock and monitor the production more efficiently as well. In addition, our storage space is limited. By managing our stock more efficiently, we can continue working with as few stock shortages as possible. So customers can count on a good service.”

The selection of Microsoft Dynamics AX and Ad Ultima went fairly smoothly. “After several conversations with Ad Ultima we decided to team up with them,” explains Geert Van Hecke, who is responsible for the accounting at Zonnehoeve. “They convinced us with their expertise and their software tailored to our business activities.”

**Specific software for the wood sector**

“Our UltimAX Wood Suite is an add-on to Dynamics AX that we specifically developed for companies in the wood manufacturing industry,” says Thierry De Bock of Ad Ultima. “We already have about 20 customers in the wood sector, both wood traders and manufacturing companies.”

Thanks to UltimAX Wood, the project at Zonnehoeve could start with a ready-made framework. The specialists from Ad Ultima, in consultation with the people of Zonnehoeve, had to further refine the administrative processes and internal procedures. They also integrated the technology with a system for barcode labelling and scanning. The users can now perfectly monitor the stock by using the barcodes.

“Everything starts with the customer’s order,” explains Geert Van Hecke. “Our ERP system then checks whether the sales order requires materials that are out of stock. It also checks how many staff we have to assign to complete the order within the customer’s deadline. The system generates the draft orders of the raw materials, and when we receive the delivery we also register this in the system. Next we print labels with barcodes, which we stick to the materials. The barcode indicates what should happen with the material – for example, sawed to a specific length. By scanning the barcode, the coordinator of the workshop gets to see a task on his computer screen. When the task is finished, he clicks on the ‘mark complete’ button so that we can go directly to the next step in the manufacturing process. We print off a new barcode label for each new process.”

**Standardised titles and processes**

“So there are no more bottlenecks in production. The tasks that the software generates are immediately clear to the coordinator,” says Pieter-Jan Vanfleteren. “The automation means that we can also remove bad procedures. After all, we are forced to think about all the processes and ask ourselves why we do things in a certain way. The implementation of the project started on 1 November 2011 and we were using the new application by April 2012. So it happened pretty quickly. Now we can continue streamlining the processes by ourselves.”
Meanwhile, the 20 users at Zonnehoeve have already become familiar with working with the new system. They can solve small problems themselves. “We provided training for the key users so that they could then transfer their knowledge to their colleagues,” says Thierry De Bock. “It is Ad Ultima’s strategy to enable our customers to work as autonomously as possible, but if necessary we can of course provide additional training or help to solve problems or make modifications.”

**Stock information is always correct**

The changeover to the new working method at Zonnehoeve was not easy for everyone. “Not only because not all the staff could work equally well with a computer, but also because the automation means there are more internal checks than before,” explains Geert Van Hecke. “We do understand that not everyone is pleased with this, but we simply cannot afford to have too much stock or be less productive. Now if customers call us to find out what we have in stock, we no longer have to start counting or looking in Excel tables. Instead we can immediately give them a correct answer. We even have a new customer for whom the use of Microsoft Dynamics AX was a condition for working with us. In this way, the system has proved to be a direct commercial asset.”

“Zonnehoeve looks after the first-line support itself. It is Ad Ultima’s strategy to enable our customers to work as autonomously as possible, but of course we will take care of support whenever necessary.”

Thierry De Bock
Ad Ultima