

headlines

Lean Manufacturing—Slim Down for Success

Global Newsletter

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Sharp Solutions and Flexible Architecture

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Java Upgrade Supports Ballantyne's Future Growth

Since first installing Intentia Application Suite (IAS), Australian family-owned dairy company Ballantyne Foods has achieved many time and cost savings in its manufacturing, distribution and capacity planning, as well as with sales and financial reporting.

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Slim Down for Success with Lean Manufacturing

Lean manufacturing is in the spotlight. But is it the new cure for all ills? Andrew Dalziel, the supply chain management product director at Intentia, answers our questions.

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A Word from the CEO

Manufacturers everywhere face relentless competitive pressures. This is particularly true in the mid-market segment. Intentia's solutions, with our low total cost of ownership and our ability to help you work across the entire value chain, from suppliers through customers, can be a key competitive edge as you seek to prosper in this marketplace. Intentia Application Suite reduces costs and time to market, and provides management with powerful tools for staying on top of the critical variables that drive business success.

The release in November of Intentia Application Suite 5.2 is particularly good news for manufacturers. It is the most quality-tested edition of IAS yet, and we have designed it to dramatically reduce the costs of adoption or upgrade from previous versions. We simultaneously released IAS 5.2 with the required localizations for 30 different countries. This is designed to help companies better plan upgrades, with the knowledge that the specialized functionality to deal with taxes, local regulatory and legal environments, language, and foreign exchange will be available in all markets where you operate.

Intentia is also in the final stages of our merger with Lawson. I can assure all our customers that this merger is quite different from some of the others in the ERP industry.

Lawson and Intentia are two complementary companies—serving different geographies and different verticals—with a shared commitment to open technology standards and customer satisfaction. We will continue to serve all our existing industries and maintain both sets of core applications. For our customers, the only difference will be a company that has twice the scale (roughly USD 800 million in sales) and twice the resources to effectively meet your needs.

While Intentia has long had a presence in the US, especially in the fashion and food and beverage industry, our merger with Lawson Software will dramatically increase our ability to deliver our solution to manufacturers in this region with the same depth we have long enjoyed in Europe and have more recently established in the Asia Pacific region.

Once the merger is complete, I will become the Chief Operating Officer of the combined company, which will be known as Lawson Software. This will keep me close to you, our customers, which is where I love to be.



Yours truly,
Bertrand Sciard
CEO

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Waste Not, Want Not

Learn how to do more with less

If you want to compete in the global marketplace, anything that does not add value for the customer—or anything the customer is not willing to pay for—must be removed from the manufacturing process. That's what lean manufacturing is all about. It removes waste, enabling you to do more with less so that you can reduce costs while increasing productivity and delivering great value to your customers.

Intentia University is hosting a two-day seminar that presents lean manufacturing concepts and principles, and shows how Intentia Application Suite supports the lean manufacturing processes and flow.

The seminar will help you get the most out of the integrated functionalities in Intentia Application Suite. This will result in:

- Improved quality
- Reduced costs
- Higher delivery performance
- Reduced manufacturing cycles
- Decreased stock levels and increased productivity.

The seminar is recommended for managers who want to learn more about lean manufacturing principles and mechanisms, as well as how to support these mechanisms within the Intentia solution. For more information: www.intentia.com/university

“We’ve made savings on a range of resources since we can now concentrate on the work that creates value, instead of re-inputting endless amounts of data.”

Jan W. Jensen, CEO, Hydrema



Hydrema Optimizes Its Value Chain

Danish earthmoving equipment manufacturer Hydrema decided to consolidate its multiple independent IT systems, but the customized solution package from Intentia has done so much more. Hydrema was able to optimize its value chain and production processes, eliminate unnecessary waste, and improve customer communications.

Business Benefits

The various Intentia solutions Hydrema has been using have become a cornerstone of the business. “We no longer need to take orders and check stock levels manually,” Hydrema CEO Jan Jensen says. “Our advanced product configurator has allowed us to streamline numerous operations and strip out all the superfluous processes. Now we can build the exact machine that the customer wants, without any waste or unnecessary delays in the process.”

He continues, “[With Intentia’s enterprise solution and advanced production planning (APP) system] we’ve made savings on a range of resources. We’ve gained a clearer overview of the production processes, which has meant that we’ve been able to reduce our stock levels.”

With Intentia’s systems as the basis for its global business, all Hydrema employees are able to use the same frames of reference and the same database, and customer communication has also been greatly improved. “Our production process is much more transparent now,” Hydrema CFO Johnny Larsen explains, “and we have a clear overview of our stock so we know where every item is at all times. Projects are worked on in the right priority order, which means that production of a particular machine doesn’t grind to a halt just because we’ve run out of a particular

component.” A satisfied Jensen adds, “Our production is now controlled according to a strict plan instead of it being about whoever shouts the loudest.”

The Company

Hydrema is a family-owned business that was founded in 1959. Its operations include a large network of sales and servicing facilities, with subsidiaries in all major Western European countries. The rest of the world is served by local importers and dealers.

In addition to having over 1,500 suppliers and a highly complex manufacturing process, Hydrema also services its machines. Therefore, the company must be able to collate and analyze all information related to individual machines quickly and accurately. “Our business is based on giving our customers excellent service and producing high-quality machines,” Larsen maintains. “We treat each machine as an individual product, and follow it through its entire life cycle.”

With the implementation of an Intentia solution, Hydrema got the centralized management system it had always wanted. The enterprise and production planning solutions from Intentia were able to provide an integrated picture of the company’s finances, sales, production and servicing—all

essential in ensuring global competitiveness in the earthmoving equipment market.

The Future

Given its level of satisfaction with the implemented solution, Hydrema is currently planning to upgrade to the latest version of Intentia Application Suite. The company is also looking forward to bringing its buyers and suppliers closer together. “Obviously, there’s a lot to keep your eye on when you have 1,500 suppliers,” Larsen says. “Thanks to Intentia, we’re now in a position to manage our production processes more smoothly. We’re planning to introduce Intentia Workplace so that our suppliers can confirm their orders directly in our systems. All they need is an ordinary Web browser.”

About Hydrema

A/S Hydrema is a modern, international group of companies that develops, manufactures and markets high-technology earthmoving machines and equipment. Today, Hydrema is a one-stop supplier of the very latest high-performance hydraulic earthmoving equipment for use in earthmoving, building, construction and agriculture. Hydrema’s headquarters are located in Støvring, Denmark, with subsidiaries in Great Britain, France, Germany, Norway and Sweden.

Slim Down for Success with Lean Manufacturing

Lean manufacturing is in the spotlight. But is it the new cure for all ills? Andrew Dalziel, the supply chain management product director at Intenia, answers our questions.

Is lean manufacturing the solution to all problems?

Well, not quite. But it does enable manufacturers to become more competitive and operate effectively in the emerging demand-led supply chains. That is particularly the case in supply chains where companies are wholly driven by unpredictable customers who want more product variety, higher quality, smaller orders and shorter lead times.

So, the market environment has changed?

Yes. There have been huge changes to the industrial landscape during the past 15 years, and these big changes are primarily the result of post-Cold War globalization, market liberalization, and the emergence of countries such as Brazil, Russia, India and China with their abundance of low-cost labor. Confronting these economic realities has concentrated the minds of corporate planners and decision makers alike in the industrialized Western nations as they battle to compete with lower cost competitors.

So, what is lean?

Simply, it's a philosophy with a number of variations such as Just-in-Time (better know as JIT), Theory of Constraints (TOC), lean production and agile manufacturing. Lean manufacturing is complementary to Six Sigma, a methodology for eliminating defects. Its main focus is on customer value-adding activities, systematically eliminating production "fat" and waste, and embarking on a process of continuous improvement. And the added benefit is that employees become empowered to execute the lean plan. This fosters improved levels of motivation, productivity and quality because individuals are more involved in providing solutions that contribute to improvements in the manufacturing process.

Is lean a new philosophy?

No. The philosophy has existed and evolved since shortly after the Second World War. Its roots are in the Toyota production system. And lean is a complex subject that has spawned a host of products of varying integrity and ability. Lean is full of

hidden pitfalls unless those pursuing its considerable benefits take a pragmatic and intelligent approach because companies could, unwittingly, invest considerable time and effort and not get all the anticipated rewards they expect.

How does a company go about embracing lean?

Each company has to begin by establishing a clear understanding of its individual situation, its business environment and its own distinctive manufacturing characteristics; the latter, in particular, determines the ease with which a lean approach can be implemented in order to achieve the desired improvement performance. Initially, it was automotive companies that used lean. But today, companies across most industries are using lean manufacturing techniques.

How does Intenia support lean manufacturing?

For more than 15 years, Intenia has embedded the principles of the lean philosophy as an integral part of solutions such as business process mapping and design tools, lean material planning, leveled

or repetitive scheduling, Just-in-Time and kanban. As a result of implementing these solutions, Intenia customers have realized returns that more than justify the initial investment.

And like many vendors, is Intenia's an "out-of-the-box" approach to lean?

No. Intenia recognizes that lean is a "journey" and not a one-off solution; it also involves people and a cultural change in the organization. Intenia has a discerning approach to manufacturing performance improvement. This approach is built around open mindedness and choice in order to give customers solutions. That is why the company often recommends a hybrid solution—a combination of solutions and components to meet a particular manufacturing need in a particular market, be it MRP (material requirement planning), Just-in-Time or TOC (Theory of Constraints) which is an area of particular strength for Intenia. The main advantage of TOC is that, compared to an advanced production planning solution, it takes half the time and effort to implement, it does not require high data quality, and it realizes a quick win.

So, what's the bottom line?

Software solutions have a fundamental role in supporting lean manufacturing. But these solutions have to be "fit for purpose". Intenia is an intelligent provider that can demonstrate broad and deep knowledge and understanding of its focus industries, and it takes an open-minded approach. And that, as they say, is just the start of good things to come!



Executive Profile: Günther Tolkmit, Chief Technology Officer



Günther Tolkmit is Intenia's newly appointed chief technology officer. In this role, he has full responsibility for the company's technology strategy and the management of all research and development, quality assurance, support, and product delivery.

In short, he ensures the best possible performance and service for Intenia's customers around the world.

He will lead Intenia's technology resources around the world in the delivery of new products and technical infrastructure to further Intenia's leading competitive advantage today, and build the new technology components needed for the company's future success.

Support and Quality

Tolkmit's first priority has been to provide a framework for how Intenia can improve both

support and quality.

"Quality is often misinterpreted," he says. "It is not about working harder—it's about working smarter."

"If you don't have the right processes in place you can't produce quality. On that basis, we have to listen to what the customer needs. From a customer's point of view, quality is everything that Intenia delivers, from marketing to development and support."

Combination of Expertise

Tolkmit brings a combination of enterprise software technology knowledge, international operations and extensive customer support experience to Intenia.

He has worked for several software companies during his career, including nine years at SAP in Germany where he held

a number of senior roles including vice president of technology management, chief marketing officer, and senior vice president of SAP Ventures. He has also held management positions at Software AG, Cullinet Inc., Siemens AG and, most recently, Parsytec AG, where he was chief technology officer.

Tolkmit comes from the Baltic Sea port of Kiel in northern Germany. He graduated from the prestigious Christian Albrechts University in the same city with a degree in mathematics. Apart from German, he is also fluent in French and English and speaks some Russian.

Continued Praise for Opportunity Analyzer

Intenia's Opportunity Analyzer (OA) is no stranger to critical acclaim and has once again been in the international limelight with praise from the trade press, analysts and awards organizations.

The strategic planning tool has been applauded as a "valuable way to prove the value of an enterprise IT solution" by Enrico Camerinelli, chief analyst and European director at the Supply Chain Council (SCC).

International IT magazine InfoWorld described the Opportunity Analyzer process as an exceptional example of "careful project planning".

While in the UK, it has been shortlisted as a finalist in the prestigious Information Management Awards, one of Europe's leading IT awards, in the Product of the Year category.

Drive Profitability

OA helps organizations implement the most effective IT strategies to achieve business

goals—both financial and non-financial. It does this by making a company focus on the internal processes that drive profitability, then identifying and prioritizing the most important best practices to use to improve them.

The software then advances the implementation by forcing management to set time-phased quantifiable goals that will determine success.

Camerinelli commented, "Opportunity Analyzer is the closest thing I have seen to a real ROI [return on investment] model in the sense that it is an opportunity evaluation solution rather than a 'promising' tool. It incorporates best practices into the application in a different and more valuable way to prove the value of an enterprise IT solution."

Improvement Opportunity

The chief analyst identified additional features of OA that are beneficial to users, including its ability to communicate the impact of IT and business decisions in terms that are familiar to a business executive.

He also commented on OA's ability to connect a business improvement opportunity with a readily available software application, eliminating any roadblocks to immediate action.





“We are able to accurately measure input and output to production. This allows us to have control over our real production costs and to accurately measure efficiencies.”

**Scott Macaulay
Financial Controller, Ballantyne**

Why Intenia?

“Ballantyne has a complex organization structure with a number of manufacturing and export divisions, and a broad range of product stock-keeping units. We wanted a partner that could understand the nuances that are unique to our business sector as well as our organization’s specific needs—to help us maximize process efficiencies and remain productive and competitive.”

Macaulay continues, “When we initially selected Intenia we were impressed with the system’s functionality, pricing and Intenia’s implementation team. We especially like the company’s market focus—Intenia’s demonstrated commitment to the middle market tier was a valuable factor for Ballantyne. At the time we reviewed several vendors, including SAP, but Intenia proved to be a much better fit to our needs from a cultural and developmental perspective.”

The Implementation

In 2001, Ballantyne first rolled out the system to users across purchasing, logistics, quality control and sales functions, as well as to workers in the warehouse and on the factory floor. The recent switch to Java commenced in early 2004.

“The upgrade path was actually planned from the outset. From the beginning we established a development timescale of around four years to ensure we keep pace with new technologies and the benefits they offer,” says Macaulay.

Java Upgrade Supports Ballantyne’s Future Growth

Since first installing Intenia Application Suite, Australian family-owned dairy company Ballantyne has achieved many time and cost savings in its manufacturing, distribution and capacity planning, as well as with sales and financial reporting. Ballantyne has now gained new benefit opportunities with Intenia’s Java platform.

Business Benefits

“Since implementing Intenia’s solution, we have seen notable improvement in stock control. Previously we would count stock every month, which wasted both warehouse space and man hours. Now we count only twice a year,” says Scott Macaulay, Ballantyne’s financial controller.

“We are also able to accurately measure input and output to production, instead of relying on back-flushed standards. This allows us to have control over our real production costs and to accurately measure efficiencies,” Macaulay adds.

“From a finance perspective, reports now run seamlessly through Cognos. Sales

reports are available instantaneously and margins are immediately visible.” Macaulay continues.

“We have seen notable improvement in stock control. Previously we would count stock every month, which wasted both warehouse space and man hours. Now we count only twice a year.”

**Scott Macaulay
Financial Controller, Ballantyne**

Such was the success of Intenia’s system that in 2004, Ballantyne upgraded to Intenia’s Java-based platform.

“Upgrading to Java ensures we have a high level of scalability to support any future growth, and a level of platform independence that will lend itself well to new industry developments. It protects our IT environment as well as opening us up to potential new ways of working in such a fast-paced, electronic world,” says Macaulay.

About Ballantyne

Ballantyne is a family-owned Australian company that has been serving the global market with fine foods for more than half a century.

Today, Ballantyne is the world’s largest producer of canned butter and exports throughout Asia, the Pacific Rim, the Middle East and the Americas. The Ballantyne portion control product range is served by airlines, international hotels, major hospitals and other leading institutions, while its retail butter packs are seen in supermarkets around the world.

Sharp Solutions and Flexible Architecture

Intenia has announced a number of new products that tackle a major issue facing the food and beverage industry—namely seasonal peaks and promotional spikes—that cut the time required to realize lean manufacturing benefits and remove blind spots in rental.



Sharp Solution Tackles Peaks and Spikes

Intenia has released a stock build optimization solution that tackles one

of the major issues facing the food and beverage industry—the need to build stock to meet seasonal peaks and promotional spikes. The solution maximizes the stock mix and reduces surplus finished goods inventory by up to 20 percent to avoid stockouts and product waste. Andrew Dalziel, supply chain management product director at Intenia, comments, “Our solution has been developed to reduce the risk for manufacturers that are often left with excess products that will likely exceed their shelf life, while stockouts occur on other products.”



Theory of Constraints Put into Practice

Intenia has launched its Theory of Constraints (TOC) production planning solution. The

solution shortens the time necessary to realize the benefits of lean manufacturing and quickly delivers increases in throughput, minimizes inventory and reduces operating expenses. “Lean manufacturing focuses on enforcing customer value-adding activities throughout a factory by eliminating waste and striving towards continuous improvements,” Dalziel says. “With the introduction of a TOC planning solution, Intenia customers can achieve the many benefits of lean manufacturing by optimizing complex production scenarios.”



Blind Spots Vanish in Rental Business

Intenia has announced the first product service management (PSM) solution developed

specifically for the rental industry. The new Intenia PSM solution helps eliminate information “blind spots”, a major barrier that prevents many rental companies from optimizing day-to-day performance in order to generate additional revenue and profit, as well as develop and sell new services in a rapidly growing market. Information blind spots prevent managers from getting a complete picture of the business and how it operates, as well as a detailed profile of customers and demand in order to forecast the service levels required accurately.

New Release Puts Time and Money First

Intenia Application Suite 5.2—the most quality-tested edition of IAS ever—is designed to dramatically reduce the cost of adoption or upgrade, as well as optimize investments of time and money for competitive advantage.

IAS 5.2 addresses the challenges mid-market companies face in implementing and integrating enterprise resource planning systems to optimize their investments of time and money for competitive advantage. It does this through industry-specific functionality and a commitment to open standards and platform standardization.

At the core of the IAS 5.2 release is the provision of local market-specific functionality for all major regions immediately upon installation, which significantly reduces the elapsed time and administrative costs previously needed to implement and upgrade systems across multiple geographic regions.

This localization, for 30 different countries, helps companies to better plan upgrades, secure in the knowledge that the specialized functionality to deal with taxes, local regulatory and legal environments, language, and foreign exchange will be available in all markets where they operate.

Reduced TCO

In its efforts to further standardize infrastructure, three of the IAS core offerings,

e-Sales, e-Procurement and Workplace, now operate on IBM’s WebSphere platform, allowing for effective, automated collaboration throughout the supply chain. This integration enables enterprise users to reduce their total cost of ownership (TCO).

Martin Hill, the vice president of product marketing at Intenia, says, “Mid-market organizations need to constantly reduce time spent on non-value-adding activities, provide

faster service to customers—without sacrificing quality—and reduce time to market.”

He concludes, “For every company that is unable to continuously improve these processes, there are several companies waiting to take their place in the supply chain. With IAS 5.2, Intenia has made standardized, open technology a priority for mid-market clients that need a stable and quality ERP solution that can save time and money.”





e-Sales in Safe Hands

Online Sales Double in One Month with Intenia's Solution

The Web shop of Sweden's leading supplier of personal protection and workwear is in safe hands with Intenia's e-sales solution. By automating the product catalog and simplifying ordering via the Internet, sales more than doubled in just one month, and increased by a further 45 percent the following month.

"It's fantastic that our Internet investment is paying off so well," says Hans Janzon, CEO of Berendsen Safety, the Swedish market leader in the supply of personal protective equipment and workwear.

By automating the product catalog and simplifying ordering via the Internet, sales more than doubled in just one month, and increased by a further 45 percent the following month.

Berendsen was already using Intenia Application Suite to manage all of its business information. During 2004, it became clear that there was a need for an effective aid to manage the publishing of information in different media, such as product catalogs and the Web shop.

Deciding Factor

Berendsen chose Intenia's Catalog Manager and e-Sales applications, both of which are integrated with Intenia Application Suite. The integration possibility was the deciding factor in the choice of these two solutions.

The implementation of Intenia e-Sales and Catalog Manager took approximately four

months. In the next step, Berendsen Safety plans to add several functions to the Web shop that will facilitate the customization of products.

Collaborative Processes

Intenia's e-sales solution addresses the basic collaborative processes between business partners (such as online product catalogs, product searching, shopping carts, order tracking, order sharing and order approval flows), as well as the more advanced processes involved in selling, buying and service, such as available-to-promise and fashion ordering matrixes.

The solution enables Berendsen Safety to handle many complex sales channels in a cost-efficient way and also supports all the different levels of business process integration that are required between Berendsen and its customers.

Intenia Catalog Manager makes the maintenance of information related to products an everyday business activity. It integrates all data and, most important of all, information is created and maintained

in one place only. Any change generates updates wherever an article is present—on the Internet, in the material for new printed catalogs, and so on.

Celebrates Centennial

Berendsen Safety is based in Hisings Backa, Sweden and employs some 150 people. It has its own production of workwear marketed under the Björnkkläder brand, which celebrates its 100th anniversary this year.

More than 7,000 items are managed in the company's four sales channels: Grolls (Berendsen's nationwide chain of professional stores), printed catalogs, the company's sales force and the Web shop.

Its 11,000 customers range from individual craftsmen to construction companies employing more than 10,000 personnel. Each needs quick and easily accessible information about the company's products. This has been a problem, until now.

Berendsen Safety is owned by Danish company Sophus Berendsen A/S, a subsidiary of the London-based international service group Davis Service Group Plc, which employs some 18,000 people in 11 countries.

Further Information

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