

# Strengthening NEC's Public Business supply chain with a centralized IFS solution



NEC embarked on a journey to centralize its global supply chain operations, standardize business processes by connecting sales with the manufacturing plant and production, and consolidate multiple systems into a single enterprise solution to strengthen its global competitiveness. Rolling out IFS ERP to its IT Platform Business Unit resulted in increased transparency and standardized operations. NEC Public Business Unit has also implemented IFS to drive similar results as part of its global supply chain management (SCM) reform to further strengthen its project-based manufacturing.

## Disparate systems costly and reduced market competitiveness

NEC's Public Business Unit had eight entities and subsidiaries for hardware production and was operating seven disparate business applications to manage its production and supply chain. There was a lack of standard business processes, and it was hard to execute business requests such as a production transfer to another plant. It was a challenge to respond to frequent company reorganizations and market changes in an agile manner. Moreover, there was no central procurement system, and the maintenance cost on multiple IT systems was exceptionally high. "It was impossible to control and monitor the production cost and supply chain in a timely manner, which reduced our market competitiveness," says Mr. Makoto Awata, General Manager, Public Business Supply Chain Management Division, NEC Public Business Unit.

As a project-based manufacturer in Engineer-To-Order (ETO) and Make-To-Order (MTO) of complex studio and transmission solutions for broadcasting, satellite production and airport surveillance systems, NEC Public Business Unit could only produce one product per contract. It normally takes more than one year for production to deliver the end solution to their

## About NEC Public Business

NEC Public Business provides safe, secure, and efficient solutions for domestic and foreign governments, public & financial institutions, and other organizations. By combining its distinctive technology and assets, NEC Public Business manufactures networking, sensing, transmission, and broadcasting technologies with broad systems integration expertise to customer assets.

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customers per contract agreement. “We required project management capability to produce more than one product per contract with better production and supply chain management to enhance our market competitiveness,” says Mr. Awata.

When NEC Group embarked on a global SCM reform, IFS was selected as NEC’s standard manufacturing system in 2010. “The strong IFS functionality in ETO and MTO, coupled with strong project management control, was very well received within the unit,” says Mr. Awata.

## IFS centralizes manufacturing and supply chain operations

“The most difficult part was how to standardize processes,” says Mr. Makoto. With every division having different processes and collecting vast amounts of data, it was not easy for management to decide which processes or data should be transferred into the standardized version. “Once we established one standardized process, it was really easy to train staff, manage master data and ensure that staff conform to operating in IFS,” says Mr. Awata. “Regardless of plant, or location, people have insight and knowledge into production and the supply chain, communicating seamlessly with all stakeholders. Company reorganization does not impact production whereby employees can easily be cross-trained. Furthermore, IFS has lowered training costs by having standardized processes and information centrally managed and available.”

IFS ERP, with its strong, embedded project management functionality, gives NEC Public Business Unit’s project-based manufacturing operations the ultimate control and visibility it desires, enabling real-time control over cost, cash, time, and resources. It has lowered the risks of project delay and/or overrunning budget because with the visibility, NEC can take immediate action when something happens and have full project control at various stages of the project, from real-time configured proposals to contract management, engineering, managing variations, planning and production, supply chain delivery and service. “With IFS, we can produce more than one product per contract, which is fully managed through the rich project management functionality in the enterprise software,” says Mr. Awata. “We have full project control.”

Managing procurement and spare parts has become streamlined which has reduced unnecessary warehousing costs. “IFS enables us to have a centralized parts inventory database, which has reduced lead times and inventory levels, and enables us to order parts as needed. It provides better support for demand planning as well as production and procurement planning, and we are now able to offer multibody discounts. Furthermore, we have reduced team members in the parts inventory control team through streamlining operations and generating efficiencies with one centralized system,” says Mr. Awata.

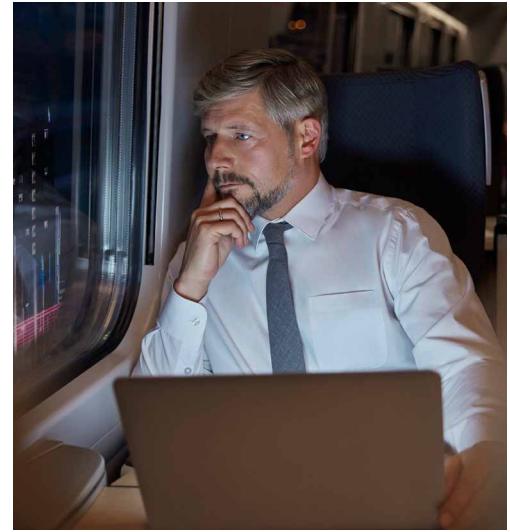
## Benefits achieved with IFS

- Streamlined operations
- Increased transparency
- Improved supply chain and procurement and reduced inventory levels
- Lowered IT maintenance costs
- Reduced selling and general administration costs



**“The strong IFS functionality in manufacturing, supply chain management and project management has been well received. It has streamlined operations, increased transparency and improved our market competitiveness”.**

Mr Makoto Awata, General Manager, Public Business Supply Chain Management Division, NEC Public Business Unit



Since implementing IFS, additional efficiencies have been achieved by consolidating multiple systems on to one platform, resulting in lower IT maintenance costs. Furthermore, streamlining processes has reduced selling and general administration costs, leading to improved market competitiveness and enhanced planning and operational capabilities.

### **Better insight, greater efficiency**

IFS has given NEC Public Business the ability to manage its supply chain process including planning, scheduling, and the execution of its operations. “The strong IFS functionality in manufacturing, supply chain management, and project management has been well received. It has streamlined operations, increased transparency, and improved our market competitiveness,” says Mr. Awata.

### **Find out more**

For further information, contact your local IFS office or visit our web site, [ifs.com](http://ifs.com)

