

# Suzuki Garphyttan forecasts 50% productivity increase with AI



Since April 2022, manufacturer Suzuki Garphyttan has been rolling out an IFS Cloud ERP solution that will eventually span six countries including factories in Europe, North America and Asia.

Following a further successful go-live for its Mexico operation in November 2024, the company is now preparing to implement AI-driven Demand Planning and Manufacturing, Scheduling and Optimization (MSO) Simulation modules with hopes of increasing production by 50%.

Suzuki Garphyttan processes, adapts and designs spring wire for different industries like medical, beds & seating, food & beverage, construction, and automotive. The company's portfolio includes profiled wires, stainless wires, and oil tempered wires, plus, for the automotive sector, valve springs, transmission springs, piston rings, and springs for fuel injection systems. To satisfy stringent quality, performance and traceability criteria, the company has a development center for new and custom wire applications in Garphyttan, Sweden.

## Changing markets

The company's original decision to look at a new Enterprise Resource Planning (ERP) solution was driven by the need to be more agile and faster to react on new customer demands. Explains Anders Jonsson, IT Manager for Suzuki Garphyttan, "Some systems had been in use for 30 years, so inaction really wasn't an option. We looked at the market and compared offers from IFS, Microsoft Dynamics AX and SAP. We concluded that IFS Cloud had the strong manufacturing pedigree and global capabilities that we needed for purchasing, procurement, and logistics, especially since our customers are often operating in multiple territories."

As the automotive sector moves away from fossil-fueled to electric drivetrains, the market requirements and technical specifications for Suzuki Garphyttan's wire products are changing. The company is now using IFS to change its product portfolio and open up new production capabilities.

## About Suzuki Garphyttan

Founded in 1906, Suzuki Garphyttan is a leading supplier of advanced spring wire products, championing flexibility and agility in a changing world. Part of the Japanese Steel Corporation, the company has operations in Sweden, Germany, England, the USA, Mexico and China.

[suzuki-garphyttan.com](https://suzuki-garphyttan.com)



Observes Jonsson, “To adapt, we’re using the system to share knowledge about building new products. For example, European automotive sector OEMs are rapidly moving toward electrified vehicles. This has meant a big fall in demand for some of our advanced material volume products that were required by combustion engine vehicles.

“There are still opportunities in automotive, but we also need to identify new markets and products for our wire. For example, the mining sector has a need for wire mesh products to sieve materials, and the medical sector has applications for fine seamless wire,” he says.

### New AI-driven capabilities

Users across three countries using IFS Cloud can easily access cutting-edge Industrial AI capabilities, including advanced, AI-driven demand forecasting functionality with Demand Planner, coupled with Manufacturing, Scheduling and Optimization (MSO) Simulation. Explains Jonsson, “We’re currently preparing to start using both these modules for our production planning and manufacturing processes,” he says.

### Accurate demand forecasting

By providing accurate predictive forecasting and demand modelling, Demand Planner allows manufacturers to reduce safety stock, optimize inventory levels, and so free up cash. By analyzing historical data, market trends, and other external factors, Demand Planner informs data-driven planning, allowing businesses to take strategic decisions, improve customer satisfaction, and adapt to changing market conditions. Says Jonsson, “Direct material represents a significant portion of our product cost. The ability to accurately forecast likely demand from our customers will reduce the capital required. Currently, our demand planning process is manual, and typically on a site-by-site basis. The new system will allow us to have overview of all the sites and their raw materials needs, allowing timely procurement.”

### Optimized production scheduling

In tandem, Manufacturing, Scheduling and Optimization (MSO) Simulation in IFS Cloud enables finite production scheduling with the ability to accurately flex capacity utilization to meet rising customer demand. ‘What if’ analysis by IFS.ai allows production managers to maximize the usage of resources as part of an optimized manufacturing schedule. Simulation capabilities also help to predict and plan asset maintenance and servicing based on different scenarios. Says Jonsson, “We need good tools to be able to plan our resources.

“We are working toward gathering data from our various current process steps for the new MSO solution to use. We estimate we can increase our productivity by up to 50%, and improving how we plan with MSO will certainly help us move toward that. To help us prepare we have an IFS Success services agreement including a Success Manager in place who we will partner with for IFS expertise, advisory services, and support,” he says.

### Benefits expected with IFS Cloud

- Multi-site, multi-country information held in a single system
- 50% increase in productivity from demand forecasting, planning and production scheduling
- Agility to enter new product markets
- Unified global system for the ‘OneShare’ business transformation initiative
- Supply chain control with material traceability
- Evergreen software with a standard core
- Digitalization for mobile devices and Industry 4.0
- Ability to connect to existing tools and solutions



## Improving operational efficiency and sustainability

One of Suzuki Garphyttan's goals is to minimizing waste and improving the efficiency and sustainability of its operations. "We know there is powerful reporting available within the Sustainability Management module in IFS Cloud. The ability to monitor our energy consumption and materials accurately is obviously important, especially in light of Corporate Sustainability Reporting Directive requirements," says Jonsson. "We will also use the IFS Success service to explore ways to leverage the Sustainability module."

## Adoption and roll-out

Following the first implementation in April 2022 for Sweden and Germany, the latest implementation for Mexico has been smooth and seamless. "We have managed much of the roll-out successfully ourselves, including the education of super users and end users in Mexico," says Jonsson. "When we come to take our US sites live on IFS Cloud later this year, we will also move them from using imperial to metric data across the system, so that the company has consistent master data for all product lines."

## Improving maintenance

The company uses the IFS ERP Maintenance module already and is looking to utilize AI capabilities to improve service. "There is potential to use AI to identify patterns that not only improve maintenance but also inform better productivity in our production facilities as well," says Jonsson. "The business case is compelling: for example, if we can swap out a component before it fails and stops production, we prevent material already in the furnace being scrapped and going to waste."

## Traceable, quality-assured materials

Most Suzuki Garphyttan product applications are subject to exacting regulatory, performance and quality standards. IFS Cloud allows the organization to monitor and certify production standards across different sites. It also helps to streamline efficiencies in the supply chain. Explains Jonsson, "Wire rod or wire is heavy, therefore costly to distribute around the globe. Much of our material is brought from Japan to Europe, North America, or Mexico. IFS Cloud ensures we can achieve the most efficient material handling for our supplies and reduce lead times – both important to controlling and reducing our costs to remain competitive."

Many steel products require certification of the metal composition, melting date, and source of origin to guarantee prescribed characteristics and performance. This traceability is complex, and the company has tailored IFS Cloud to support it. Tailoring is also under way to reflect that, whilst wire rod is purchased and sold by weight, in kilos or pounds, it is processed and manufactured as a single contiguous coil roll unit. In both cases the goal is to deliver custom business functionality whilst keeping the IFS Cloud core standard by using non-invasive configurations.



We expect AI-driven capabilities in IFS Cloud, including demand forecasting, planning and production scheduling to help us raise productivity by 50%."

**Anders Jonsson, IT Manager at Suzuki Garphyttan**





## Industry 4.0 digitalization

When it comes to enabling digitalization of the business, Jonsson is clear about the key role IFS will play. “The ability to introduce mobile and tablet-based working across the business, especially in the factory environments, will change the way we are able to work. Alongside our Industry 4.0 initiative, the IFS open API approach means we will be able to connect to all our tools on the shop floor, updating and exchanging information on the system in real-time,” he says.

## Implementing IFS

What advice would Jonsson offer to those considering implementing IFS Cloud? “I think one of the things anyone planning a new ERP system should think carefully about is establishing an effective user rights and permissions structure,” he says. Ensuring the right users have the right access levels for their roles is important, and your starting point for these permissions needs to be considered. Secondly, look closely at the process maps to ensure that they describe the processes accurately. For instance, what financial transactions will result from different processes as they run through the system? Finally, try and choose, on balance, the best moment to go live. There will always be some minor issues to address, but providing the system is stable they can be overcome.”

In terms of user adoption and training, Jonsson believes that carefully monitoring user education is key. “Don’t just rely on managers to check their teams are completing learning modules. Independently track all training, at an employee level, to check progress and completion of assigned on-demand tutorials across the workforce,” he suggests.

## Moment of Service™

Jonsson sees increased control of the supply chain and closer integration between sites as the biggest benefits his customers will see from the transformation enabled by IFS Cloud. “On the sites that are already live, the system means that we can provide full traceability and provenance for all the materials we use in production. Once we are fully implemented, we’ll have this capability globally,” he says.

## Find out more

For further information, contact your local IFS office or visit [IFS.com](https://www.ifs.com)

