



Convex Plastics

Future-Proof Platform is Helping Convex Plastics Deliver on its Vision of Strong Growth

Hamilton-based packaging company Convex Plastics is leveraging Microsoft® Business Solutions-Axapta® to deliver on the customer proposition its business thrives on – made-to-order at the desired price. The new solution is spearheading the company's growth, helping Convex Plastics achieve the highest-ever production month in the six short months since Microsoft Axapta was implemented. Testament to the value the product has delivered to the company, each staff member was given a specially-made Microsoft Axapta beanie.

Convex Plastics is also taking advantage of Microsoft Axapta's flexible development environment to use the product more innovatively and recently won a customer innovation award in recognition of its work.

Strong Customer Ethic at the Heart of Convex Plastics' Business

Ever since it was established in 1976, Convex Plastics has centred its value proposition on delivering custom-made solutions for its customers. All that's required is for clients to specify their desired product's application, price point and the type of printing required, and Convex can make it.

"All of our products are unique and made-to-order," explains Owen Embling, Chief Executive Officer for Convex Plastics, "and we've always believed in going the extra mile for our customers to help them be successful."

"So long as they require packaging, we will always try work out a solution for them."

Limited Future and Company Growth with Existing Business Solution

With three distinctive processes required for the manufacturing of packaging products, each posing unique planning and scheduling challenges, Convex Plastics needed a flexible, customisable and integrated Enterprise Resource Planning (ERP) solution.

For more than 14 years, the company had been running disparate financial and manufacturing systems, with the latter developed in-house and based on an outdated Unix platform. While Convex Plastics made a significant investment in developing its manufacturing application, and even considered selling the solution at one time, the company soon recognised the system inhibited the company's growth.

Solution Overview

"We chose Microsoft Axapta because it's a future-proof product that can grow with us."

"It offers a very flexible, object-oriented platform, which will enable us to change underlying processes easily should the business change."

**Owen Embling,
CEO
Convex Plastics**

Customer Profile

Headquartered in Hamilton, Convex Plastics is a privately-owned packaging company which specialises in the design and manufacture of top quality polyethylene flexible ready-made bags and films, promotional materials and labels. Operating since 1976, the company currently employs more than 100 staff, and services more than 800 customers across multiple sectors in New Zealand, Asia, Australia and the United States.

From short-runs to runs of more than a million, Convex can produce almost everything from basic one-colour carry bags, to the more technically-challenging packaging - all that's required is for clients to specify their desired product's application, price point and the type of printing required.

Web Site

www.convex.co.nz

Industry

Engineering and Manufacturing

Customer Size

Medium

Scenario

ERP

According to Embling, the problem lay in “the programming code being fundamentally flawed and not object-oriented”, which meant that significant IT resource was needed every time the system had to be modified.

“We restructured our manufacturing division and ended up spending a significant amount of time and money modifying the system.

“It took a whole new code rewrite to add or modify existing functionality rather than just adding a new object.”

Embling adds that the company’s legacy manufacturing system was very process-oriented, requiring staff to complete one process before being able to start another.

“Some of our sales representatives were spending up to four hours a day trying to get a quote and specifications for a product they knew we could make. People were spending far too much time entering information into the system to achieve a simple result.

“The other danger we were exposed to was people running their own systems outside of the main system, which led to errors and disparate files stored across individual departments.”

While Convex Plastics considered re-developing its existing manufacturing solution, the project would have taken at least two years and meant the company “wouldn’t be anymore ahead from where we are now.”

Embling says that once he recognised the company’s future was limited with the existing solution, the decision was made to adopt a new, integrated ERP solution that would help drive growth and accommodate ever-changing business needs.

“We’re looking to grow the company by 18% per annum, which means developing many new products and entering a number of new overseas markets. This is only achievable with a new system.”

Integrated Business Solution from Microsoft Provides the Growth Platform Convex Had Been Searching For

Convex Plastics first started evaluating its options early in 2002, with cost being “irrelevant” according to Embling. His greatest concern was finding “the best ERP solution that delivered leading edge manufacturing capabilities”. After short-listing four ERP vendors, the company finally chose to adopt Microsoft Business Solutions–Axapta in June 2002.

“We chose Microsoft Axapta because it’s a future-proof product that can grow with us. It offers a very flexible, object-oriented platform, which will enable us to change underlying processes easily should the business change. It will help us get things done today, but without the heavy cost.”

Another important factor contributing to the company’s final decision was the fact that Microsoft Axapta is supported by a Microsoft SQL Server 2000 database.

“From an IT perspective, having the product run on SQL Server is really important. It provides us with the flexibility to write code directly to and from the database, and will be a huge advantage as we grow in the future and require changes to the system.”

Embling was so impressed with Microsoft Axapta that he made the decision to purchase the system before engaging a Microsoft Business Solutions partner to support the solution.

Business Situation

For more than 14 years, the company had been running disparate financial and manufacturing systems, with the latter developed in-house and based on an outdated Unix platform. While Convex Plastics made a significant investment in developing its manufacturing application, and even considered selling the solution at one time, the company soon recognised the system inhibited the company’s growth. The company needed a flexible, customisable and integrated Enterprise Resource Planning (ERP) solution that would help drive an 18% per annum growth and accommodate ever-changing business needs.

Solution

35 concurrent users for Microsoft® Business Solutions-Axapta®

Value to Business

- Flexible business solution that will grow with the business
- Object-oriented platform will enable the company to change underlying processes easily should business needs change, without the heavy cost
- Solution is easily customisable to accurately construct complex bill of materials

Microsoft Technology:

- Microsoft Business Solutions-Axapta:
 - Financials
 - Advanced Ledger
 - Electronic Payments
 - Trade
 - Logistics
 - Warehouse Management
 - Production
 - Resources
 - Master Planning
 - Routing Management
 - Shop Floor Management
 - Product Builder (Advanced)
 - OLAP
- Microsoft SQL Server 2000

Partner

Solution Partners
Tel: 09 366 3920
Web: www.solutionpartners.co.nz

"As far as I was concerned, Microsoft Axapta was an excellent product that could help the organisation grow and that was the most important factor at the time.

"We then selected Solution Partners as our partner based on their understanding of and commitment to the company's business needs and strategic vision for the future. They play a key role in the continuing success of the Axapta system."

Leading the Way in Customising Microsoft Axapta to Deliver Enhanced Business Value

Microsoft Axapta went live on April 1st, 2003, and is currently being accessed by 35 concurrent users across the organisation to manage the company's financials, distribution and manufacturing processes, including production planning and scheduling.

Convex and Solution Partners also worked closely together to customise the new solution by leveraging Microsoft Axapta Product Builder, which is both a product configuration tool and development environment. Using Product Builder, the company can accurately construct complicated multi-level bills of material, without any manual intervention, and easily provide a quote for made-to-order product.

Debbie Altham, Managing Director for Solution Partners, explains Convex Plastics is using Product Builder in a very innovative way.

"The amazing thing is that Product Builder is not only constructing the products with rules-based flexibility but also assigning production to machines in the same manner. A product cost is derived, which is then used for quoting."

Owen Embling of Convex Plastics says the new functionality has been "fantastic".

"We can deliver a customer a quote for any product we can make within 15 to 30 seconds at the most. If it doesn't come up in the system automatically and we can't make it, we can do a manual product build in half an hour.

"Staff who would normally spend hours loading jobs into the system can now build and define products quickly and easily."

Mansur Zwart, Manager, Microsoft Business Solutions New Zealand, explains Microsoft was so impressed with Convex Plastics innovative use of Microsoft Axapta that it awarded the company with the Innovation Award at its annual InterConnect customer conference held in April this year.

"Convex Plastics has made a significant investment in developing the product configuration capabilities found within Microsoft Axapta so that the system delivers increased benefit to the organisation," comments Zwart.

"The company is making more extensive use of Product Builder than any other company in New Zealand and perhaps even the world. This is a great example of how the flexibility of our solutions combined with the customer's commitment can greatly enhance the business value the solution can deliver to an organisation."

Staff are Self-Confessed Fans of Microsoft Axapta

While Convex Plastics are yet to take full advantage of the integrated Microsoft Axapta solution, Owen Embling of Convex says the results have been immediate. In fact, he was so impressed with the product that he got special beanies manufactured for staff featuring an "I love Axapta" slogan.

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"Having an integrated ERP solution for the first time has led to a new thinking paradigm within the company.

"We all love Microsoft Axapta. If for any reason the system is not delivering on our expectations, it's because people are not using it properly. At the moment, getting people up to speed with the system is our only challenge."

He adds: "Microsoft Axapta is delivering excellent cost analysis for the company and we're able to complete our month-end accounts quickly and efficiently."

However, the real value in using the new solution so far according to Embling has been within manufacturing. Microsoft Axapta's supply chain management integration features support the synchronisation of planning and scheduling, enabling accurate feedback from jobs through to inventory, labour and overheads. This accurate costing information also points to potential areas for improvement.

"From a master planning and scheduling point of view, Microsoft Axapta has just been excellent. The system is very efficient - we know exactly what stock we have and can account for the cost of every single product we manufacture, which we weren't able to do before," says Embling.

The company also recently purchased the Customer Relationship Management (CRM) module, which Embling believes will take the company into a "whole new world" when it comes to servicing its customers. Further down the track, the company will look at deploying other Microsoft technologies, including Microsoft Exchange Server 2003, to leverage the benefits of an integrated front-office and back-office technology platform.

"Our business vision for the future is for sales people to be able to quote on the fly using their PDA, and have the information link back into the back-office database. We're also looking to enable customers to obtain a quote for a made-to-order item online and to be able to order that product online. An integrated Microsoft Axapta platform is what will help us achieve this."