

CASE STUDY

Enterprise-Wide Visibility, Responsiveness and Streamlined Processes Make Electronics Manufacturer One of The World's Best



DAKTRONICS

Who: Daktronics, Inc., one of the world's largest suppliers of electronic scoreboards, computer-programmable displays, large screen video displays and control systems.
www.daktronics.com

Location: Headquartered in Brookings, South Dakota

Business Problem: Daktronics had been attempting to manage both its standard and technical contract manufacturing via an MRP solution. The MRP solution was a job shop-oriented application that was designed only to support technical contracting.

Solution: Daktronics turned to Glovia's extended ERP solution, GLOVIA G2, to provide a robust, proven solution able to manage both technical contract projects and standard manufacturing as well as gain visibility into critical business operations in order to streamline operations and improve customer service.

Benefit: Since implementing GLOVIA G2 in 1998, Daktronics has used the improved part visibility to maintain the same size purchasing staff while tripling revenues. The company has fully implemented the combined standard cost and project system for cost visibility.



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— Carla Gatzke, Enterprise Information Systems Manager, *Daktronics*

Walk down Seventh Avenue in midtown Manhattan and you can’t miss the huge “light murals” encircling the lower floors of Barclays Capital Building. Hop on a Bay Area Rapid Transit (BART) commuter rail car in San Francisco and the directional displays in the cars and stations will guide you on your way. At Dodger Stadium in Los Angeles, keep track of the Major League Baseball action on the brand-new DodgerVision scoreboard and video display.

The murals, commuter rail displays and scoreboard could not be more different. Yet, they are all produced by the same company: Daktronics, Inc. Based in Brookings, S.D., Daktronics is one of the world’s largest manufacturers of electronic scoreboards, computer-programmable displays, and large-screen video display/control systems for the sports, business and transportation industries.

Managing the inner workings of an electronics manufacturer that produces highly complex systems is never easy and is even more difficult when you are building a mix of custom and standard products. The light murals and Dodgers’ scoreboard are obviously custom projects for Daktronics. However, the company also builds more universal products such as LED signage for roadways, high school gym scoreboards, and billboard display systems.

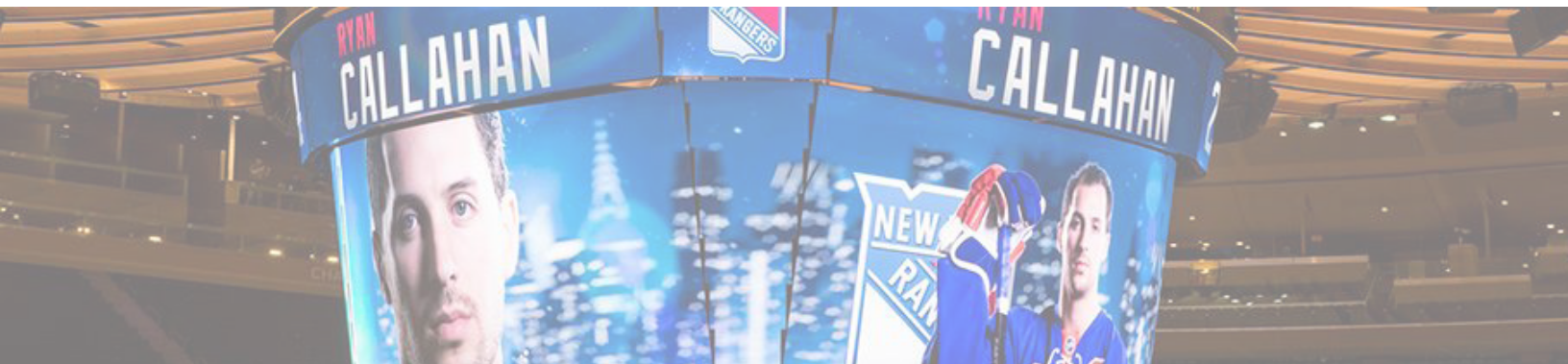
For years, Daktronics attempted to manage both its standard and technical contract manufacturing via an MRP solution. Yet in the end, that proved only a half-measure. “The MRP package was designed purely for technical contracting,” says Carla Gatzke, Enterprise Information Systems Manager for Daktronics. “It was very much a job shop-oriented application.”

“What the MRP solution didn’t do was truly support our standard product manufacturing side. It wasn’t practical for handling tasks such as standard inventory management, standard costing, build-to-stock and product shipping.”

Daktronics management decided to shelve the MRP package and evaluate proven ERP solutions able to manage both technical contract projects and standard manufacturing/inventory. That led Daktronics to Glovia. After a smooth migration, Daktronics now uses the latest version of Glovia’s fully integrated, extended ERP solution: GLOVIA G2.

Seeing The Big Picture

The enterprise-wide parts tracking capability in GLOVIA G2 allows Daktronics to schedule projects efficiently and track costs accurately. This has helped shorten cycle times and given a significant edge over



competitors. “With GLOVIA G2, we’ve improved our visibility and have been able to streamline operations to deliver critical on-site dates for our customers—with



lead times that our competitors decline to offer,” says Gatzke. “Now our ship date to promise date averages two days early for standard orders.”

Daktronics is also improving visibility, as well as speed and accuracy, on the plant floor by improving interfaces with equipment. When a purchased item is received,

maintain a smooth manufacturing schedule.

“We’re able to see across all customer orders, determine the parts needed, and know what parts we have in stock and what we’re low on or out of,” explains Gatzke. “We can enter an item and see all the customer orders that would be affected by a shortage, or enter a customer and see all the components that may have a projected shortage. We use this data to set priorities for purchasing and manufacturing. With GLOVIA G2, we’re able to make these kinds of crucial decisions with confidence.”

The visibility provided by Glovia’s make-to-order and make/buy-to-stock planning system greatly eases Daktronics buyers’ ability to focus on critical needs first. The system has allowed the company to triple in size without increasing the number of people responsible for buying components.

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it is scanned into GLOVIA G2, improving put-away speed and making parts available to production faster. “The Shop Floor Data Collection system installed in receiving has saved a couple of minutes per purchase order line,” continues Gatzke.

Daktronics must meet specific delivery windows with many of its technical contract projects—a custom scoreboard for a new ballpark must be installed at a specific point in the construction schedule—and the global parts visibility in GLOVIA G2 helps Daktronics

Keeping Promises While Cutting Costs

As Daktronics’ enterprise-wide visibility has improved, so has the ability to respond to customer demand. GLOVIA G2 enables Daktronics to commit to customer orders confidently while keeping production utilization steady and inventories lean. GLOVIA G2 allows Daktronics to create stable, achievable plans automatically and meet customer demands with



reduced inventory levels and improved on-time delivery performance.

“We have excellent visibility into the supply and demand requirements to fulfill customer orders and to plan for the future,” states Gatzke. “This is an exceptional management tool for prioritizing parts procurement and customer deliveries. We believe that parts visibility is key to our position as industry leader for short turn delivery on customer orders.”

Advantage Daktronics

Gatzke recounts how during the time that Daktronics was still relying on its MRP solution, the company’s engineering staff used a separate, “home-grown” software package to track drawings, create bills of material and routing, and handle other engineering tasks. Only at the point where engineering data was ready for manufacturing would it be transferred to the MRP system—and this method was cumbersome, time-consuming and error-prone.

“We needed to move to a system that was seamless,” notes Gatzke, “one that would allow us to initiate a design in the morning and by the end of the day have ready a ‘design completed and in manufacturing’ work

order. Plus, we needed a system where we would enter data only once, to ensure accuracy, and have that information available globally.”

GLOVIA G2, Gatzke says, fills these requirements. “We’ve been able to streamline the engineering-to-manufacturing process with GLOVIA G2 and significantly shorten our cycle times. This is proving a major competitive advantage for us as we’re able to deliver product more quickly and efficiently than our competitors.”

The Service Factor

Daktronics understands that in the end, products are only as good as the support behind them. The company maintains a comprehensive customer service department with GLOVIA G2 service and repair management capabilities fundamental to the operation. “We respond to our customers’ service and repair needs in a variety of ways,” explains Gatzke. “We’ll ship them the needed parts or subassemblies so they can repair their system at their location, or they can ship the subassemblies to us for repair. We prepare all customer service orders via GLOVIA G2, creating a service history for each customer. We can access GLOVIA G2’s site register for that product’s as-built history. To ensure quality customer service across the board, all of this information is accessible enterprise-wide.”

Moving Into The Future

As Daktronics moves forward with GLOVIA G2, the company plans to take advantage of even more capabilities in this fully featured, extended solution.

“As we keep using GLOVIA G2, we keep improving our customer service and accuracy while maintaining enterprise-wide visibility at all times,” says Gatzke. “Glovia is critical to helping Daktronics achieve and maintain success.”

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