

Case Study: Thai Summit Auto Parts



Thai Summit Auto Parts Industry Co.,Ltd.

Thai Summit Auto Parts Industry Co., Ltd. and its associated group of companies are one of the major part manufacturers in Thailand for the automotive, motorcycle, electrical appliance and agricultural engine industries.

Established in 1977, the Thai Summit Group comprises of 30 part manufacturing subsidiaries, ranging from press, assembly, plastic injection, plastic blow molding, aluminium die-casting, wiring harness, chassis, stamping dies, assembly jigs and tooling. The company has production bases in Samutprakarn, Laem Chabang, Rayong, Ayudhya, Nakornnayok and Malaysia. The group's total sales for 2005 exceeded 20,000 Million Baht, while Thai Summit Autoparts Industry, with its 4000-staff strength, achieved a 2005 turnover of 6,000 Million Baht.

Situation

To support its growing business engagements, the Thai Summit Group knew that it needed a world-class tracking system for better control and greater visibility of its inventory and raw materials. This prompted the company to consider implementing a barcode system to trace, track and collect the data generated from the finished goods and raw materials it handles daily.

Prior to implementing the barcode system, Thai Summit Group relied heavily on its staff to manually track and collect up to 95% of its business data. However, due to an earlier unpleasant experience with a barcode system, the company was initially sceptical about change.

After numerous rounds of reviews, Thai Summit Group selected the Intermec solution, which is able to rectify the errors caused by manual data entry. It is also expected to help increase productivity and enhance operational efficiencies.

Solution

Thai Summit Group implemented Intermec's Mobile Computer model 730 and Scanner model VT1800 for its 2-phased Finished Goods and Raw Material Barcode systems.

Thai Summit Group's Barcode System controls every transaction in the factory including the flow of raw materials. It can be further divided into three parts, namely Input Process, Work-in Process and Output Process. Besides the "Work-In Process" program, which is still being designed, implementation of the other programs has been completed.

Input Process or Finished Goods Barcode – This is the first phase of the implementation, as the value of Finished Goods is ranked the highest among the other processes. For this process, the “product” is placed at inventory stores for sales and divided into seven areas based on product types or OEM customers such as Isuzu, Mitsubishi, Toyota and Nissan.

Thai Summit’s operations staffs uses Intermec’s Mobile Computer model 730 to handle the incoming and outgoing of materials from inventory. The reader scans the barcode tags attached to the containers from the Production Division. The stored material data at the database server is then transmitted to the Access Point before being updated in the company’s central ERP system. The Intermec Scanner Model VT1800 is also used to ease the installation of product cards at PC Desktops.

• **Output Process or Raw Material Barcode** – The Input Process handles incoming raw materials from suppliers. Thai Summit Auto Parts uses Intermec Scanner Model VT1800 to scan the Delivery Barcode Sheets which are attached to suppliers’ tax invoices with every shipment. This data is then verified against procurement’s purchase orders before being transmitted over the LAN to the ERP system.

Commenting on the choice of Intermec, Mr. Preecha Phuasuthi , Department Manager, ERP Project, Thai Summit Autoparts Industry Co., Ltd. said “We were looking for barcode readers that are durable, resilient and able to meet strict factory specifications. Intermec met and passed all of our stringent requirements. Its Mobile Computer Model 730 is ideal for urgent shipments or products that cannot be easily moved, while its Scanner Model VT1800 is ideal for reading the barcodes in Barcode Delivery Sheets. Both products are user friendly and convenient for our operations.”

The only hiccup during the implementation was the ability to read and capture data from a distance away. By adjusting the contrast of the barcode printing, Thai Summit Autoparts was able to overcome the issue.

Benefits

“The implementation of Intermec’s Barcode Readers helps us minimize human errors. It also improved data accuracy and increased productivity as it eliminates the manual checking process.” said Phuasuthi. Intermec’s solutions also helped to reduce human errors in the data entry process.

Pleased with the efficiencies they have gained in their inventory and distribution operations, Thai Summit Auto Parts plans to extend its barcode system to the other 10 companies under the Thai Summit Group in the near future.