



GLOBAL TALK

EDITION 10

AUTOMOTIVE PARTS AND ACCESSORIES INDUSTRY

BPW Axle Assembly
Glides Along
with SYSPRO

Automotive Parts
and Accessories Industry
**DISRUPTION
CREATES
EXCITING
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TECHNOLOGY INSIGHT

with Phil Duff

Staying in the ERP Driving Seat

It is not often that we see a true paradigm shift like the one currently happening in the automotive industry – ride sharing, robo cabs, automated driving, connectivity-enabled technologies, electric cars, even flying cars – are changing the face of transport as we know it.

At SYSPRO, we see a parallel between these advancements and organizations' ability to get the most out of their ERP packages. One day fairly soon, we may be able to sit back and relax while our cars automatically navigate the route from home to work – or anywhere else for that matter. But just as it would be foolish to abdicate responsibility for driving our cars, so too do organizations need to optimize their investments in ERP solutions.

Of course, all of this progress brings intense challenges, with players in the automotive industry being compelled to up their game in order to remain relevant and ensure they continue to thrive. As ever, we are continuously evolving and enhancing SYSPRO to keep pace with your business needs and help you stay on top.

As the boundary between digital and physical continues to blur, digitization opens the door to infinite possibilities, and workpieces and machines increasingly work together to re-plan processing sequences, SYSPRO keeps ahead of technology developments.

For example, our latest release, SYSPRO 8, gives you even more optimized processes across the entire supply chain, user-friendly interfaces on any device, actionable business insights at every workstation and the ability to seamlessly incorporate new technologies as and when they happen.

So, whether you're an OEM supplier or an aftermarket parts manufacturer, you can safeguard your ERP investment with our automotive manufacturing software.

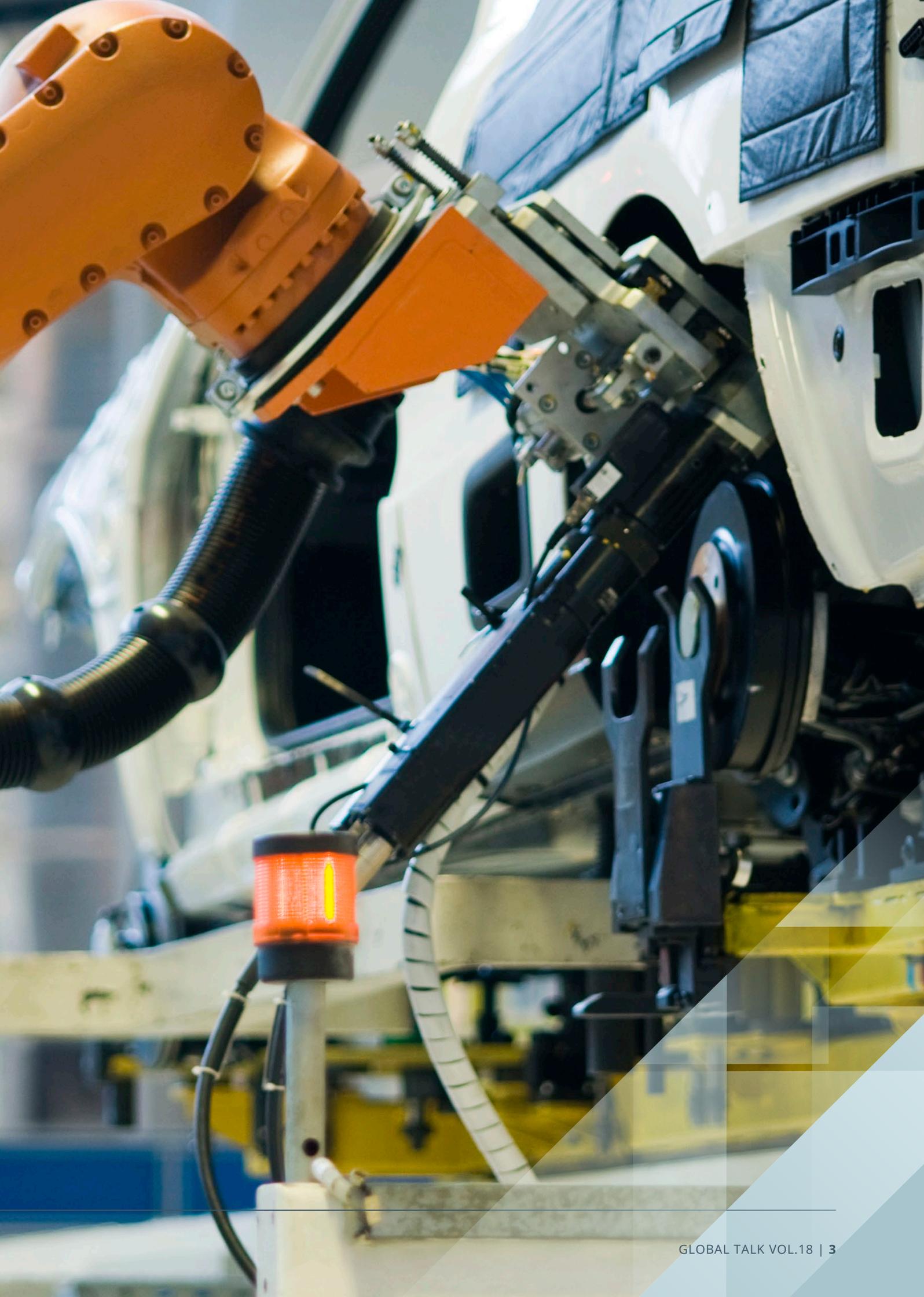


Designed specifically to give you profound insights into what's happening in your business, it helps you get products to market faster with fewer errors, reduce costs in production and provide better supply chain management with the help of proven industry expertise.

We keep your investment top of mind and are committed to making our solution future-proof, enabling you to maximize your agility and take advantage of new technology innovations as they emerge. From SYSPRO Cloud to our web interface, social ERP, bots, interactive user interfaces and using artificial intelligence and machine learning to give you unified 'big picture' insights across your organization, we have the ammunition to help you win the digital disruption battle.

Please enjoy this edition of Global Talk, where you will see how some of our customers in the Automotive and Automotive Parts and Accessories market sectors are using SYSPRO to make sure they stay in the driving seat as they turn the challenges of rapid industry progress into competitive advantage.

Phil Duff
CEO
SYSPRO



AUTOMOTIVE PARTS AND ACCESSORIES INDUSTRY DISRUPTION CREATES EXCITING OPPORTUNITIES

By Roger Landman

The unprecedented state of disruption being experienced in the Automotive industry is creating more and more opportunities for both existing and new organizations. This in turn will create even more disruption in the Automotive Parts and Accessories industry, and open the door wider to new entrants – the industry as it has existed until now is about to be changed for evermore.

There are four main trends driving this disruption – mobility, autonomous driving, digitization and electrification. All are affecting the Automotive as well as the Automotive Parts and Accessories industries and are coupled with challenges such as: slowing growth; accelerated change; the need to optimize the potential of software as a key differentiator; the commoditization of hardware; and investor pressure to address lagging shareholder value.

Underpinning all these trends is the poor return on capital invested in the Automotive Industry, making it harder and harder for the players in this industry to access the capital required to keep the huge R&D processes going. Fortunately, the Automotive Parts and Accessories industry has a better return on capital and therefore can access the capital more easily.

This article highlights the implications of these trends.

As mentioned above, enhancing the quotation process and consequently improving the conversion rate is a priority. Here are some technological innovations to drive these improvements:

Mobility

Ride sharing services are forecast to continue growing at a fast pace, with vehicle sales for these services expected to exceed 10% of new car sales by 2025 in the USA and Europe. After 2025, the introduction of RoboCabs could drive a significantly larger share of sales to mobility services. These 'driverless taxis' will offer an affordable solution compared to individual car ownership, while simultaneously having a positive impact on road

safety, pollution, traffic congestion and parking. This isn't SciFi: Japan is already testing a state-of-the-art robo-vehicle mobility service app on public roads.

Developments for flying cars are happening in parallel, with Airbus SE and Volkswagen's Audi unveiling a drone-like flying taxi/electric car at the Geneva Motor Show in March. Other contenders include Boeing, Uber, Bell, Terrafugia and Cartivator in Japan.

All these effects will result in significant changes to today's the vehicle ownership model, and we can expect to see smaller, cheaper vehicles being upgraded more frequently. The upgrade will most likely be driven by changes in the technology used in vehicles, rather than vehicles reaching their sell-by dates – vehicle ownership will become more like the current laptop ownership model. There are some significant implications here – the automotive manufacturer which offers the most cost-effective ownership model will win the deal. However, this will cost the manufacturer on discounts etc. One of the key drivers of the buying decision will be the vehicle's effect on sustainability (the green effect).

As manufacturers will need all of their spare cash to structure sales deals, the R&D and sustainability improvements will be pushed up the supply chain onto the Tier 1 and Tier 2 suppliers. For them to survive the change, a far more focused organization with carefully controlled R&D programs and a tight control over expenditure will be required, as will a highly-integrated ERP system to enable the necessary controls.

Autonomous Driving

Automated driving is also set to arrive at a fast pace, with new entrants and real-life pilots already emerging, and the timeline keeps accelerating as the demand, technology and regulations fall into place. However, future penetration of these highly-automated vehicles will depend on convergence with shared mobility as well as overcoming a number of hurdles.

The autonomous vehicle program is being driven by a zero tolerance approach to deaths caused by motor vehicles. The rapid changes in materials and technologies will shorten product lifecycles and require a much quicker innovation cycle i.e. concept to market timeframe. Along with this, the rate of redundancy of current products will require a much tighter control over stock holding as well as manufacturing and lead times.

Digitization

With digitization enabling new business models and technologies, more and more vehicles will be connected globally. Artificial Intelligence (AI) offers almost limitless possibilities, while connectivity-enabled technologies are reaching mainstream application.

The rate of change of electronics will be the expected rate of change of the digital functionality of the car. The new mobility models and ride sharing will also demand that the vehicles have up-to-date technology on board, and out-of-date vehicles will quickly be discarded. Brand loyalty will quickly fall away in favor of the latest technology and gadgets. Like Microsoft Windows, the car will have to receive regular updates of software to keep it up to date with its competitors. However, this increased internal and external connectivity will make these vehicles vulnerable to an increasing number of cyber threats, and require the car to be fully protected at all times. The traffic monitor on the infotainment system will require permanent connectivity to continually reassess the best route available. The risk, of course, is that hackers will use this connectivity to access bank accounts or other valuables.

The vehicle hardware will need to be easily replaced, just as computer parts are currently swapped out. This will require extremely careful design and development by the supplier, as well as further compatibility testing, before the new components can be installed.

The end result is bound to be even more onerous regulation by governments.

As motor vehicle manufacturers are not hi-tech electronics and software developers, new partnerships will need to be formed with software houses to keep up with today's market demands. However, as the cash flow of the motor vehicle manufacturers will remain under pressure, most of these developments will become the responsibility of the supplier. The number of businesses vying for the few select relationships will drive costs down and intensify competition, making survival of these organizations very tricky.

Electrification

Full hybrid electrical vehicles have already been developed in Japan and North America, with China focusing on battery electric units. The momentum is building in this area among Original Equipment Manufacturers (OEMs) thanks to increasing regulatory pressure and accelerating technology advancement.

At this stage, the long-term effects of these new drivetrain technologies are still to be determined, and a significant environmental issue could well kill a brand. The ability to display the necessary due diligence, assurance and competence to the authorities will be critical for manufacturers' survival.

Fully-fledged quality and environmental management systems, certified by a third party like the International Organization for Standardization (ISO), will be a starting point for demonstrating the required assurance and compliance. Further accredited systems like ISO 27001, the Information Security Management System (ISMS), will also be required to demonstrate the necessary responsible corporate citizenship.

Many organizations are currently irresponsible corporate citizens which focus on profit alone. This irresponsible behavior will eventually be curbed through regulation and legislation with accompanying fines, which may lead to the organization shutting down before it can adjust its behavior.

This level of disruption is unprecedented in the automotive industry. For the industry to survive, it is going to have to borrow systems and technologies from other industries like the Industrial Internet of Things (IIOT) and Big Data.

These trends, along with their impact on the industry and its players, are covered in the table below/ alongside. It also outlines the role ERP systems play in addressing these trends and positioning automotive organizations for success.

TRENDS



Trend 1 – Mobility

| INDUSTRY EFFECT | BUSINESS EFFECT | ERP EFFECT |
|--|--|--|
| <ul style="list-style-type: none"> ■ New business models for car ownership. ■ New demands for car interiors. ■ Demand for cheaper cars with specific extras. ■ Ride-sharing models e.g. Uber. ■ Demand for differentiation – buy car on features. ■ Shorter vehicle lifecycle. ■ Need to regularly update software and information. | <ul style="list-style-type: none"> ■ Relook at business models. ■ Relook at ownership options and models. ■ Relook at product portfolio. ■ Address the demand for ride-sharing operators. ■ Standardize parts to enable more flexibility in building options. ■ Refresh vehicles more regularly. ■ A facility to update/upgrade vehicles. | <ul style="list-style-type: none"> ■ Configurator module to build vehicles online. Many different options required. ■ Trade and promotion-type special deals. ■ More accurate stock control. ■ Online ordering from suppliers. ■ Continually building differentiation in the background – collaboration and Request For Quote-type processes. |



Trend 2 – Autonomous Driving

| INDUSTRY EFFECT | BUSINESS EFFECT | ERP EFFECT |
|--|---|---|
| <ul style="list-style-type: none"> ■ Revised car design. ■ Up-to-date systems to process information. ■ Confidence in the system. | <ul style="list-style-type: none"> ■ Have a series of car designs ready for trial and testing – concurrent engineering. ■ Partner or develop an in-house system to cope with all the changes in automobile software. ■ Differentiate your vehicle. ■ Functionality must be unquestionable and effective. ■ Foolproof training system required. | <ul style="list-style-type: none"> ■ New product development process. ■ Accurate database and storage of all records and drawings. ■ Accurate records of all Quality Assurance tests on functionality. ■ Records of all training attendees. |



Trend 3 – Digitization

| INDUSTRY EFFECT | BUSINESS EFFECT | ERP EFFECT |
|--|--|--|
| <ul style="list-style-type: none"> ■ Added software and hardware to allow for digitization of the vehicle. ■ Regular software updates. ■ Regular replacement of electronic parts. ■ Upgrade of parts like a computer. ■ Capacity for extra functionality. | <ul style="list-style-type: none"> ■ Complete redesign of the vehicle interior. ■ Added software and hardware, fully upgradable and designed into the car. ■ Service teams and crews will be expected to repair/upgrade vehicle while owner is at work/ shopping. ■ Design fail-safe breakdown systems. ■ App store for the car and downloadable for the owner. | <ul style="list-style-type: none"> ■ Service and Maintenance modules with full traceability. ■ Warranty tracking. ■ Revised, accurate spares stockholding. ■ Diagnostic and repair linked to a vehicle. ■ Predictive analytics and IOT functionality. ■ Remote access and upgradable systems to 'talk' directly to the vehicles. |



Trend 4 – Electrification

| INDUSTRY EFFECT | BUSINESS EFFECT | ERP EFFECT |
|---|--|--|
| <ul style="list-style-type: none">■ Move to a totally new drive system.■ Regulatory demands and targets.■ Fundamental change in manufacturing processes and plants.■ New relationships and alliances.■ Change in the supplier base and traditional organizations shutting down. | <ul style="list-style-type: none">■ Develop new competencies and hire people with the required competencies.■ Redesign key products.■ New investment in R&D.■ Change factory layouts and production lines.■ Transition the business to a new business model. | <ul style="list-style-type: none">■ Stable, accurate business processes.■ Accurate financials – change business models to improve profitability.■ New product development process.■ Storage and learning needs to be captured e.g. recipe management to trace all developments. |

The chosen ERP system should support the business processes highlighted above that are required to be closely controlled. Further specialist pieces of software should be available to enhance management of specific areas of the business. SYSPRO has a number of enhancements available to assist in these critical areas, including:

1. **Prophix** – a specialist financial tool that will improve the ability to delve into specific elements of financial performance.
2. **SYSPRO Manufacturing Operations Management (MOM)** – a specialist Planning and Scheduling system that will introduce Capable-to-Promise (CTP) i.e. when can you deliver that order? This will become even more crucial in Just-In-Time (JIT) environments as manufacturers try to cut costs as much as possible.
3. The **SYSPRO Espresso** mobile system enables improved mobile functionality. This enhances areas such as Shop Floor Data Collection (SFDC), which can still operate when offline, and updates the system when back online. If the network is down, or the operator is in those areas of the warehouse where there is no connectivity, your business will continue operating.
4. **Integrated Manufacturing and Distribution** controls that translate into tight financial controls.
5. **Recipe Management** that enables concurrent engineering.
6. An **Integrated Quality Management** system that supplies a framework for all basic requirements.

DRIVE WITH SYSPRO

SYSPRO EUROPE

BPW Axle

Assembly Glides Along with SYSPRO

Sales and distribution companies looking to extend into manufacturing would do well to look at the recent and ongoing success of BPW Limited. This K3 Syspro (K3) customer is one of the most successful axle suppliers to the articulated trailer manufacturing sector. The company's axles and suspension systems are helping to keep the goods rolling for major retailers such as Tesco, Sainsbury's, Asda, John Lewis and Aldi.

To meet competitive market conditions, the company evolved from a classic sales and distribution firm into an organization that could also assemble product in the UK. Key to this has been the flexibility of its SYSPRO ERP system and expert manufacturing guidance from K3. The flexibility of the software means that it grows with the company as its business evolves.

Steve Turton, Management Accountant, BPW, says: "We selected SYSPRO for its superior Customer Relationship Management (CRM) functionality. We believe it to be the best system on the market because it allows us to track serial codes, switch the codes to the trailer manufacturer code and then finally to the end user.

"This provides full traceability of our products from where they originate to the point of use. An added benefit is the ability to add more SYSPRO modules as and when we need them."

Swift, efficient start-up

In just four months, the software was installed and working efficiently, and BPW was up and running with the plant.

"We were fortunate in being able to add manufacturing to SYSPRO when we needed it," Turton says. "It is much more than a standard sales and distribution system, and the addition of our manufacturing function has been seamless. We now have a fully integrated system that also integrates with our sales management and analysis software."

The assembly plant produces a wide range of standard axles and suspension systems, generating more than 70 finished products daily. BPW achieves this by using SYSPRO for forward planning. As a build-to-order operation, the company brings in components from Germany to assemble the axles and suspension systems. SYSPRO makes all the necessary information visible, enabling BPW to plan significantly ahead of its delivery dates to meet its promises to customers.

The customer orders dictate which products are built locally and which need to be manufactured in Germany. SYSPRO's Material Requirements Planning module aids the production of the Bill of Materials, streamlining the order process for finished products as well as the components from Germany.

"The system makes it easier to manage which finished products will go direct to the customer and which will come here for dispatch," Turton says. "It allows us to transfer stock from one warehouse to another, even if the warehouse is off site. With SYSPRO, we are in charge of when we can deliver to the customer."

Dual planning and cost management

In addition to giving BPW the ability to dual plan, SYSPRO provides dual costing management and control. The company uses standard costing for products built in the UK, and a First In First Out costing system for spare parts and axles built in Germany.

SYSPRO also provides accurate and essential information directly to BPW's sales analysis software. "This gives us the ability to monitor costs and margins by product group. It also lets us see the margins we make on each delivery to the customer by product," Turton says.

As a result, BPW has greater control over how its margin analysis is broken down between goods produced locally and those brought in from Germany. SYSPRO also enables spare parts sales to be analyzed.

"In conclusion, we are very pleased with K3 and SYSPRO. The service and support from K3 is excellent. The company invests considerably in software development, and each year there are important enhancements to the product to help customers get more from their systems."



“

We need to be at the leading edge of our market and the continuous development of SYSPRO will help keep us out in front by making us more competitive.

— Steve Turton, BPW Axle

”

A photograph of three people in a workshop setting. On the left, a man with short brown hair and safety glasses is looking at a tablet held by a woman in the center. The woman has short, grey hair and is smiling broadly. On the right, another man with safety glasses is looking towards the tablet. They are all wearing dark blue work jackets. The background shows a blurred industrial environment with a white structure. The image is overlaid with a large green geometric graphic on the right side.

DRIVE WITH SYSPRO
SYSPRO EUROPE

Titan Races Ahead with Methodical Approach to ERP Implementation

Specialist component manufacturer Titan is experiencing immediate business value after its implementation of an advanced, tailored SYSPRO ERP system was brought forward by K3 Syspro (K3).

Titan, which specializes in manufacturing bespoke components for the automotive, aerospace, marine and defense industries, recently invested in SYSPRO to replace its existing Materials Resource Planning (MRP) software. The investment encompasses an Advanced Planning and Scheduling (APS) system and Equator HR solution, which are expected to help Titan drive growth in its key industries.

Titan has only just started its implementation of the integrated ERP solution and is not only on track for an on-budget, on-time go-live date but has even had some parts of the system implemented ahead of schedule. The company is already benefitting from a clearer view of financial and HR information after Equator was implemented six months early at the start of the new financial year.

Mark Martin, Financial Controller at Titan, says: "K3 recommended that we implement Equator early so that we would not have to adjust our way of working halfway through the year, which would have caused delay and disruption. They worked with us on everything and if we needed more time on one aspect of the implementation, they were happy to give us that time."

Maximizing ROI

Maximizing return on investment and mitigating risk are the two key factors to consider in an ERP implementation. To combat the risk of disruption and downtime, K3 has developed its own 4D implementation methodology. It ensures implementation is completed in four stages: defining the scope of the project; designing an effective plan with the customer's project team; delivering an on-time, on-budget go-live; and deploying the final preparations required for go-live.

This flexible approach to implementation means that a business's existing processes become the backbone of the entire program, rather than using the technology as the foundation. It makes for a more process-orientated implementation, which is easier for the customer's project management team to get behind.

"SYSPRO is a very flexible system, which influenced our overall decision. We are trying to bring together SYSPRO, Equator and APS, which is no easy task, but the K3 consultants have an excellent grasp of all three applications," Martin says.

"SYSPRO can be configured almost any way you want. Rather than change our business processes to build them around SYSPRO, K3 has built the SYSPRO implementation around our existing business processes, which is ensuring minimum downtime and disruption. Also as a result, the data migration and system integration we required ran really smoothly."

Understanding Titan's business processes

Martin leads Titan's project management team and works with K3's project manager to understand the company's existing business processes and match them to SYSPRO before he briefs other members of the team. By defining the scope of the project as well as the resource and timing needs of the implementation upfront, everyone benefits from a no-surprises approach.

"K3 told us everything they were going to do to limit disruption, which enabled us to put steps in place outside of implementation to limit an expected disruption even further," Martin says.

Commenting on the quality of consultants from K3, Martin says: "They have a lot of knowledge about the product, are flexible and go above and beyond for us. They come straight on to site and resolve any issues that may exist. They build implementation around us and how we work best."

The post-implementation training process is just as important as the implementation itself. K3 ensured that Titan was fully prepared and knew what to expect right from the pre-sales period. Product demonstrations were given to staff, who were also made aware of how the solution would add value to the business and what the implementation would entail. Post-implementation site visits and usage monitoring will help train Titan staff on how to get the most out of their SYSPRO investment.

Titan is 80% of the way through its SYSPRO implementation and is already experiencing the benefits of its Equator HR solution. "Once you have decided that you have made the right IT investment, it's all about how your investment will add long-term value to your business," Martin says.

"It's not until implementation that you are able to see something as large as ERP in minute detail, understand how it will work for your business and how it will solve existing and future problems. K3 has helped us to imagine the future of our business with SYSPRO and foresee some of the many benefits it will bring to our company. We're on track to meet our go-live date within our budget and are excited about the full system going live in a few months' time."



DRIVE WITH SYSPRO
SYSPRO AFRICA

UD Trucks Meets Needs across Africa

with SYSPRO

UD Trucks Southern Africa has enjoyed a proud history of success since its establishment in 1962, making South Africa the brand's top market outside of Japan. Over the years, the company has built a strong reputation as a credible and successful truck supplier, boasting unequalled flexibility and full backing from UD Trucks Corporation in Japan.

In 2002, the company then known as Nissan Diesel South Africa (NDSA) was formed, separating the company from Nissan South Africa and thus the passenger car operations. During the following year, the company moved all its facilities to new premises in Rosslyn, Pretoria, underlining its independence and setting the stage for a new era in which the company's total focus became the trucking industry.

Since the acquisition of Nissan Diesel by Volvo AB in 2010, the name changed to UD Trucks Southern Africa and the company became part of a globally successful heavy vehicle manufacturing group.

UD Trucks Southern Africa is resolved to offer only vehicles engineered, developed and rigorously tested to meet the harsh operating conditions of the African continent. The company places great emphasis on building long-term relationships with customers and providing ongoing support throughout a product's lifecycle. UD Trucks' dealers remain committed to providing their customers with innovative transport solutions and service offerings built on trust, in-depth industry knowledge and a strong technical skills set.

Since 'Ultimate Dependability' forms the foundation of everything it does, UD Trucks is continuously looking at ways to improve its customers' experience. Over the years UD Trucks has established strong relationships with a large dealer network, made up of 58 dealers throughout southern Africa.

Dealers would place orders for specific parts via the Electronic Parts Catalog (EPC); however, since this process was done manually there was a time lag from the point of order to establishing whether those parts were available. This resulted in lost sales. The manual EPC did not integrate back into SYSPRO and keeping track of out-of-stock items and lost sales proved extremely challenging and time consuming.

UD Trucks has been a SYSPRO client since 2003. With the recent addition of SYSPRO's Inventory Optimization module, the company has further improved its supply chain management.

Dealers are now able to see dynamic stock levels in real time and place their parts orders online through the dealer Web or EPC (electronic parts catalog), and receive same-day delivery, while all the time being able to track the progress of their orders from picking to arrival.

UD Trucks has developed its own Dealer Central Information System which incorporates an Electronic Parts Catalog. This enables the dealer to view a schematic of the part and perform live stock queries using SYSPRO business objects.

The real-time Electronic Parts Catalog has had a significant impact on the relationship between UD Trucks and its dealer network. The dealer can create parts baskets, access the system at any time and track the progress of an order. On ordering specific parts the dealer can immediately see which parts are on back order as well as review stock counts.

Typically an organization like UD Trucks, with a large dealer network spread throughout southern Africa and its head office located in Japan, would be faced with both logistic and supply chain management challenges. However, with the web-based Inventory Optimization process using Syspro Workflow Services, a manager in Japan, for example, can access and approve a purchase order in real time.

SYSPRO business objects is used according to specific user needs. SYSPRO is the proprietary engine but business objects provides the freedom to customize, making it very flexible. UD Trucks is able to add on to SYSPRO to combine the system's functionality with its own business rules, ensuring consistency while also meeting specific users' requests.



DRIVE WITH SYSPRO

SYSPRO USA

Toyota Racing Development: Using Traceability for Quality Control

Since its inception in 1979, Toyota Racing Development (TRD) has played a significant role in Toyota racing history, developing cutting-edge race engine technology for a wide range of motor sports activities. The unique in-house operation includes complete engine design, development and assembly as well as production and development of engine component manufacturing.

The company, which designs, develops and manufactures NASCAR's Sprint Cup Racing Engines, has facilities in Southern California and North Carolina. It manufactures approximately 300 racing engines a year. TRD's racing history includes a list of diverse and notable accomplishments, including numerous championships and victories in some of the world's most prestigious events.

As TRD began increasing its manufacturing in the late 1990s, the company realized it needed a true ERP system to help with the process. Previously, TRD only had an inventory control system that lacked MRP, did not allow workers to access real-time data, and was not able to integrate all departments of the business.

TRD's Senior Systems Support Manager explains: "The difference between SYSPRO and our old system is like night and day. When we started, all we had was an individual with a spreadsheet, or a piece of paper - it was random. It wasn't something that people in the company could use as and when they needed to."

Bob Dowe, Vice President and CFO of Toyota Racing Development, says: "SYSPRO's MRP system was something that we needed as we started manufacturing in the early 2000s. It was an activity that we weren't doing before, so we felt MRP was a module that was truly needed."

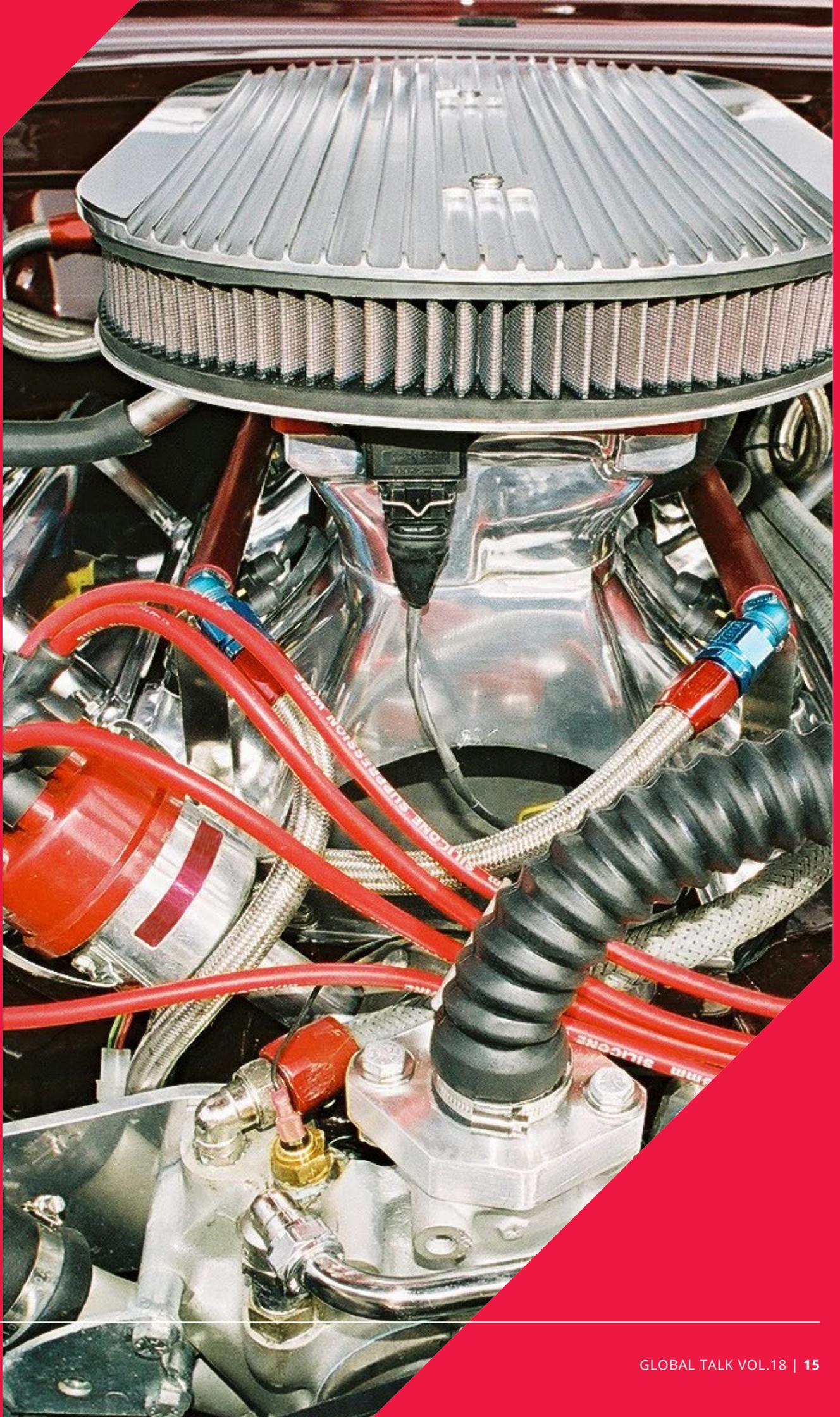
All of TRD's parts are lot traced, and the majority of the major components are serialized in SYSPRO so that every component is logged and tracked. The company knows exactly where every part is, which engine it's for, and what team it went to. If there's a failure, it's important to know if that same part is in another engine.

Another advantage is that with SYSPRO's Inventory Control module, people across the organization have immediate, easy access to all the information they need in real time

Ben Metcalf, Team Leader/Logistics Coordinator, Toyota Racing Development, says: "SYSPRO has helped us build winning racing engines. In the engine build shop, we're able to go into SYSPRO, look up part and serial numbers, and find inventory. Creating a work order for an engine enables us to get all the parts out in a timely fashion."

Dowe agrees, and concludes: "What's impressive about SYSPRO is the pace of change, and the fact that the company is constantly looking to improve the product. We have a good relationship with SYSPRO, and they do a good job of listening to the customer."





DRIVE WITH SYSPRO

SYSPRO USA

SYSPRO Delivers

Smooth ERP Ride to Performance Machine

Performance Machine has been the leading aftermarket manufacturer of motorcycle wheels, brakes and controls since 1970. High-quality, innovative, functional products are the company's passion, earning Performance Machine a reputation for exacting engineering and testing that exceeds all Department of Transportation (DOT) guidelines. The company is part of Motorsport Aftermarket Group (MAG) and is based in LA Palma, California.

As with cars or any other machine, wear and tear on more expensive equipment like automobiles, motorcycles, boats and other power equipment leads to a sizable replacement opportunity for aftermarket manufacturers. Performance Machine has a huge following of loyal customers, and serving those customers with a high degree of both engineering and shipment accuracy is a high priority.

Tackling dual challenges

Dual challenges hampered Performance Machine: a lack of visibility into many key operational areas, such as sales forecasting and warehouse management; plus inefficiencies, time lags and inaccurate reporting put Performance Machine at a competitive disadvantage. The company found it increasingly difficult to keep promises to customers on shipments and was committed to maintaining customer satisfaction at the highest possible levels.

Performance Machine addressed these challenges by installing a full SYSPRO MRP suite in 1992. Since then, the company has added many additional ERP components, such as integrated forecasting, which have proved extremely useful for a recent distribution company change to its business model.

The company estimates it has shipped more than 300,000 wheels alone using SYSPRO, as well as many tens of thousands of parts and accessories.



Changing the game with tailor-made forecasting

While SYSPRO has given Performance Machine a relatively smooth ERP ride, making the company more efficient on many levels, IT Manager Melody Kaaua believes that SYSPRO's forecasting capabilities have been a true game changer.

"SYSPRO has made a huge difference to us. We have set up forecasting and usage algorithms that are tailor-made to our business performance needs and goals," she says. "We now more accurately forecast where we are going to be, and we can respond far more opportunistically to changing circumstances."

Additionally, the easy customization capabilities of SYSPRO allowed Performance Machine to navigate fairly seamlessly through a major business model change when MAG acquired a distribution company.

"We now channel Performance Machine sales to the new company," Kaaua explains.

"We suggest which products they stock in their warehouses based on our own performance history, which provides historical accuracy. We can also stay responsive and fine-tune what we're doing based on performance. SYSPRO tells us what we need to know. We can do anything we want to with SYSPRO – it's so easy to customize!"

Performance Machine has navigated a number of changes within its industry, its company and to its business model. The company's operations are performing so smoothly that both MAG and one of its additional business lines, Vance & Hines, have adopted SYSPRO as their ERP backbone. Vance went live on SYSPRO in January 2016.



Simplify Your Operations with SYSPRO



**Improve Sales
and Customer
Service**



**Optimize
Supply Chain
Management**



**Streamline
Warehouse
and Shipping
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RO Automotive Distribution Software



**Enable Strategic
Financial
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**Gain Visibility
and Full
Traceability of
Goods**



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