

# ThermoFab



## An enterprising company.

ThermoFab specializes in the thermoforming of high-quality plastic enclosures for a wide range of medical, industrial, and computer products. Located in Shirley, Massachusetts, the company believes in achieving perfection and strives to be a leader in the thermoforming industry through its use of innovative and award-winning design and manufacturing techniques.

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TOM KING, PRESIDENT, THERMOFAB

### Setting the strategy.

Concerned about increased competition and the shrinking available market, ThermoFab needed to make dramatic changes to solidify its leadership. Company President Tom King determined that the Theory of Constraints (TOC) management strategy could help differentiate the company and began implementing the strategy.

The changes were significant. “We were able to improve turn-around times,” explains King. “We started receiving our raw materials once a month and ordering materials more efficiently. We also positioned ourselves as a complete thermoforming solution for our customers by creating an in-house painting facility and employing cell manufacturing techniques.”

Even with these improvements, ThermoFab was still well below the 100 percent on-time delivery rate it hoped to achieve. With a company culture based on continuous improvement, ThermoFab sought ways to improve efficiency.

### Getting business specific.

ThermoFab had already been a long-time Infor™ ERP Visual Enterprise customer when King attended a seminar at which the speakers discussed the Theory of Constraints and how Infor ERP Visual Easy Lean software could help make a dramatic difference in plant throughput. King recognized that TOC and the corresponding production scheduling techniques known as Drum-Buffer-Rope (DBR) worked successfully in a job shop environment.

Having already seen great results on his own, King wanted professional assistance to receive higher returns. He brought the message back to his staff in June and signed on for a “fast track” implementation in early August. “Our goals were to improve on-time delivery, improve customer service, increase sales, and reduce our lead time to a level our competitors could not match. I knew TOC and DBR would take us there and position us ahead,” says King. “Our competition had just started talking about Lean. We had been using Lean principles for ten years. We wanted to take our operations to the next level.”

### facts at a glance:

|                  |                              |
|------------------|------------------------------|
| > company .....  | ThermoFab                    |
| > solution ..... | Infor ERP Visual             |
| > product .....  | Easy Lean                    |
| > industry ..... | Manufacturing & Distribution |
| > country .....  | USA                          |

### Seeing results.

ThermoFab went live with the Infor ERP Visual Easy Lean software in September. “It took only 39 days to transform ThermoFab into a company that can manufacture at warp speed, faster than any of our competitors,” reports King. “We are exceeding all of our plans and expectations.” The original go-live date had been set for the end of October, but that schedule was shortened by 50 days.

ThermoFab has seen significant benefits from applying TOC and implementing Infor ERP Visual Easy Lean. In an effort to adapt to the new principles, ThermoFab changed the way it assigns and controls work in the plant. With these changes, the average lead times for the high-quality pressure-formed plastic enclosures that the company makes decreased 50 percent. With one particularly difficult part, ThermoFab reduced the manufacturing time from 45 days to just 5 days.

“We produce thermoformed plastic parts and assemblies where the volume doesn’t justify injection molding and other high-volume techniques,” says King. “Typically we’ll produce 50 to 100 units per month for a customer, but we have some products that we do in lots of as few as 5 units. We quote six to eight weeks’ delivery and, up until now, we’ve had a very difficult time making good on those promises. All of a sudden with DBR, we’re shipping everything on time—even the rush orders.”

When ThermoFab first started using the techniques, it believed the biggest constraint was in the paint prepping area. After working through late orders, it quickly realized that it was producing parts faster than sales and that the real constraint was the market. In the first month of TOC consulting and through re-evaluating its business using throughput measurements, ThermoFab was able to recognize hidden profit and take on new business. With old cost accounting methods, ThermoFab had been turning away orders that appeared to offer low margins. The company realized that with more accurate business metrics and improved delivery, these jobs could be profitable and added ten percent revenue in the first three months of using DBR.

"Shorter lead times and more scheduling flexibility," says King, "shows our commitment to quality and service. With one of our stricter customers, we offered them a contract to ship twice a month instead of once a month, and got a one-year contract and a price increase."

According to King, the company's transformation has been due entirely to the hard work and dedication of ThermoFab employees and the support of the implementation team, which trained ThermoFab employees on DBR concepts and worked with them to inject the DBR process into their everyday procedures. "They approach DBR from a real-world manufacturing background," he says. "I don't look at Infor as a software company. Infor sells solutions to make manufacturers more profitable, and the software is one of many tools."

### Being open to an enterprising future.

Now that Infor ERP Visual Easy Lean is in place to support the new DBR way of managing production, King looks forward to even better results. "It's never good enough," he says. "We can always improve more. After operating one way for 25 years and then using DBR for only 3 to 4 months, we find it hard to believe the dramatic improvements we've seen in such a short period of time. I recommend TOC for everyone but my competitors!"

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### About Infor.

Infor delivers business-specific software to enterprising organizations. With experience built in, Infor's solutions enable businesses of all sizes to be more enterprising and adapt to the rapid changes of a global marketplace. With more than 70,000 customers, Infor is changing what businesses expect from an enterprise software provider. For additional information, visit [www.infor.com](http://www.infor.com).

## Customer Profile

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