

Rinstrum: Smarter Weighing with Smart ERP

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- Darren Pearson, Managing Director, Rinstrum

■ The Company

Leading Australian weighing product manufacturer Rinstrum’s unwavering dedication to quality and innovative design has seen it become an international company that distributes throughout Australia, Europe, Asia Pacific and the Americas.

The company works with expert subcontractors globally to assist in manufacturing weighing products that can weigh anything from beans to trucks – including the catalog listing bench and hanging scales, digital weight indicators, weight controllers and weigh-batchers, remote displays and weight transmitters. All units undergo complete functional testing and performance validation in Rinstrum’s production facilities in Australia and Sri Lanka.

With a strong belief in local logistics support, Rinstrum has hubs in the US, Germany and Australia to provide high levels of finished goods stock, service and repair support, technical advice and training, and customer-specific product customization.



At a glance

Company

Rinstrum

Industry sector

Machinery and Equipment

- Manufacturing

The challenge

- Increasing sales and growth
- Needed to replace standalone system with ERP solution
- Required a sophisticated planning tool and integrated accounting/production system
- Required compatibility with Australian accounting rules as well as reporting capability

Solution & services

- Fully integrated SYSPRO solution
- SYSPRO Manufacturing
- SYSPRO Distribution
- SYSPRO Accounting
- Inventory Management
- Engineering Change Control
- Serial Tracking
- Material Requirements Planning

The benefits

- Improved business processes
- Supported business growth
- Greater operational efficiencies
- Comprehensive visibility into operations and inventory
- Accurate, up-to-date information
- Improved inventory management
- Quick and efficient implementation in subsidiary locations worldwide



(continued)

■ The Challenge

In the early 2000s, Rinstrum was operating its entire business from its Australian office. The company was experiencing increasing sales and anticipated further growth as it was expanding to set up a hub in Germany to better service its European customers.

It became necessary to replace Rinstrum's standalone system with a single ERP system and a single database. "We needed to support the projected growth and sort out product processes," said Darren Pearson, Managing Director at Rinstrum.

With annual sales of 10,000-15,000 products, the company wanted a more sophisticated planning tool and a more elegant accounting system that could be linked to the production system.

"We had been doing forecasting with spreadsheets for the production activity, but not for planning. We wanted a product that could manage the warehouse and keep track of production instructions, forecasting and materials management. In addition, we needed an accounting system that could link to the production system, be compatible with Australian accounting rules, offer reporting capability, and handle GST (Goods & Services Tax)," Pearson said.

■ The Solution

Rinstrum engaged the services of an external business management contractor to evaluate a suitable Enterprise Resource Planning (ERP) solution. After evaluating four competing ERP products, the contractor recommended SYSPRO. As part of the evaluation, the consultant delivered a high-level implementation plan.

Rinstrum bought SYSPRO licenses for 15 users, for the fully integrated Manufacturing, Distribution, Inventory, and Financial modules. By implementing an end-to-end solution, the company's goal was to streamline order-to-invoice processes, reduce inventory and lead

times, improve capacity management and enhance overall operational planning and financial management.

The implementation was completed in six weeks for Accounts and Distribution, with internal staff working alongside consultants from ProActive Integrators. The Manufacturing modules were implemented soon thereafter. Some 2,000 to 3,000 stock code items and subassembly lines were migrated to the new system. The SYSPRO system ran parallel to the legacy system for a few weeks, before eventually going live in July 2003.

■ The Result

SYSPRO immediately delivered improvements to Rinstrum's business processes and has continued to support the company's business growth, which has tripled in volume since 2003. Additional benefits include greater operational efficiencies in sales order processing and better materials planning.

Today, Rinstrum has businesses in different parts of the world, with both the US and Sri Lanka subsidiaries running on SYSPRO, and Germany going live in July 2013. The data is hosted out of Australia with country-specific databases.

With the German office on SYSPRO, Rinstrum has a total of 36 staff using SYSPRO, more than doubling the number of users a decade ago. SYSPRO has scaled up in tandem with the strong company growth, fostering customer and supply chain collaboration, providing comprehensive visibility into its operations, helping Rinstrum to differentiate its products, deliver performance and customer services, and streamline order-to-invoice processes and operations.

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SYSPRO also helped Rinstrum keep track of the 10,000-15,000 product items being sold annually in the early 2000's. The challenge came not only from tracking the product sales, but also the complex task of having to track raw materials purchased through warehouse operations in Brisbane, then assembled in-house or through subcontractors. In addition, the system needed to access a wide variety of replacement parts, even for non-current items.

Given the large inventory, visibility into stock levels is essential. SYSPRO's traceability features facilitate the tracking of materials through the receiving, manufacturing, assembly, inspection, stocking and final dispatch stages. This comprehensive traceability helped Rinstrum track, gain visibility and identify item availability. In addition, the SYSPRO Engineering Change Control (ECC) and Serial Tracking modules have helped Rinstrum improve the management of engineering changes to its products and associated data.

"With the previous system, simple things like yield issue on the floor were not captured. But with SYSPRO, all activities are planned and managed, and the data is automatically captured through to accounts," said Pearson. "Today, we ship 30,000 individual product items a year, and still stock a lot of raw materials for legacy products. SYSPRO is able to support both models."

The integrated nature of SYSPRO provides staff with access to information such as customer and purchasing histories, and stock availability. Data that is updated in the warehouse side or any location will be seamlessly indicated and updated into SYSPRO's main database. This means that data needs to be entered only once before flowing into SYSPRO, where invoices and data are captured without the need to re-enter data for accounting purposes at month end. The streamlined process has cut down data entry requirements and reduced the time required to process accounts at month end. It has also removed the possibility of human error through re-entering data.



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Better Planning

While product tracking has been a valuable function, SYSPRO’s Materials Requirements Planning (MRP) module has been a boon for Rinstrum’s production process.

“We have most recently implemented the Forecasting and MRP modules with improvement in our inventory management,” said Pearson. “The MRP module can do a complete list of everything that needs to be actioned. We can be confident that we have not misplaced an order for a part, and don’t have to worry that it is entered correctly.”

Easy Global Rollout

SYSPRO has made it easy for Rinstrum to quickly and efficiently implement the same system in its subsidiary locations. It has replicated SYSPRO with some minor adjustments in its Sri Lanka and US subsidiaries, to accommodate the local legislative requirements and regulations.

Besides the ease of a global rollout, Rinstrum has enjoyed the benefits of using a single ERP system to run its global operations, as it is much more easily maintained and developed, and enables transparency of the operations at the subsidiaries. Now, it is easy to generate consolidated statements that meet the standards for consolidated reporting, and a single chart of accounts.



Consolidated Reporting

With all the hubs operating on SYSPRO, reporting is a lot simpler.

“We can co-ordinate, consolidate reporting, check stockholding in multiple locations around the world, and respond to customer demand a lot more readily,” said Pearson. There is also less paperwork with a consolidated system. “It’s the same training, and most stuff can happen electronically, eliminating faxes and double entry.”

Going forward, Rinstrum is considering adding more SYSPRO modules to its existing implementation. “We are evaluating some dashboard and analytics options now, but we’re pretty happy with what we’ve got,” said Pearson.

