

HERMAN MILLER SCR:

Make-To-Order Success

Division's Revenues Climb More Than 35 Percent Per Year Over The Past Five Years

Office furniture manufacturer Herman Miller is well-known world-wide, not just for its inventive approach to interior furnishings but also for its innovative, customer-focused business practices. A solid example of this ethic is Herman Miller's SCR Division. Based in Holland, Michigan, the SCR Division has continually exceeded its own growth expectations by consistently providing customers with unparalleled on-time delivery and service.

"As demand for our products grows, so too have our coordination and execution needs," said Doug Bonzelaar, application development manager at Herman Miller. He and other managers quickly realized the need for a manufacturing solution that would let the company keep pace with growing demand without compromising its stellar on-time delivery record.

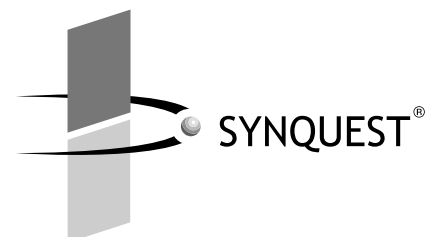
Eliminating Idle Time

"We looked at our entire process and determined that there were only two days of value-added time in each of our products," Bonzelaar said. "The rest of that time was idle and, in our minds, waste."

Herman Miller needed a solution that would decrease idle time and its related expenses, at the same time allowing the company to leverage space and manpower to grow the business. To meet these challenges, the company deployed the SynQuest Virtual Production Engine at its plants in Rocklin, California, and Holland, Michigan. "SynQuest promised us radical improvements and is really delivering on that promise," said Bonzelaar.

Getting Rid Of Guesswork

SynQuest enabled Herman Miller to excel in a just-in-time order assembly environment. Its Virtual Production Engine solution combines manufacturing execution with finite capacity scheduling to dynamically calculate plans for all orders through each routed operation.



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"Before SynQuest, we used to get a 'deck of cards' – hundreds or thousands of paper-based job cards produced by the MRP scheduler. Our supervisors then had to sort through these cards and cherry pick the priority items," said Bonzelaar. "The SynQuest Virtual Production Engine has removed the guesswork from this process and positioned us to work with certainty on the right order at the right time."

Getting Unexpected Benefits

Since implementing SynQuest software, lead times have been slashed from an average of seven days to 4.5 days. (In contrast, the industry average is four to eight weeks.) Orders are rarely on the shop floor more than six hours. Throughput has increased by 30 percent.

Another unanticipated benefit was significant reduction in raw material stocks and finished goods inventory. With real-time visibility to the shop floor, Herman Miller can feed needed raw materials into the manufacturing facility a mere two hours before they are needed, driving down stocks of in-house raw materials. Inventory at the company's off-site warehouse also has been dramatically reduced, increasing annual inventory turns to over 125, nearly 10 times the industry average.

The SynQuest Virtual Production Engine met Herman Miller's high standards for speed and customer satisfaction, delivering a compelling ROI within four weeks after going live. "We felt confident that SynQuest would help us on the shop floor and it has, but we didn't realize how enhanced manufacturing agility would impact other links in our supply chain," Bonzelaar said. "The gains we are experiencing with SynQuest are positioning us to do something pretty remarkable: grow our business from right here, within our own four walls."



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Application Development Manager
Herman Miller SCR

