TE Technology Slashes Overtime and Excess Inventory

Founded in 1989, TE Technology, Inc. designs and manufactures thermoelectric cooling assemblies and accessories for large and small industrial, medical and laboratory instrument customers from their facility in Traverse City, Michigan.

Manual Labor Tracking and the Lack of an Inventory Location System Came with a Hefty Price

Before implementing ScanForce, TE Technology's labor management processes were inflexible and inefficient. Paper timesheets and a lack of time-saving technology for tracking inventory transactions and item locations led to excess inventory, inaccurate labor cost data, and unnecessary overtime expenses.

A lack of visibility into manufacturing labor made it challenging to react to changes in production schedules. It was difficult to calculate how much time was required for the jobs on the schedule at any given time. As a result, they missed opportunities where it would have been beneficial to reallocate resources.

Self-reporting of labor hours on paper timesheets was unreliable. Production planning proved difficult without dependable historical data, and the costs assigned to items were inaccurate.

In addition, the lack of item bin locations made it difficult to track item status changes, such as movement into or out of inspection or which items are cleared for shipping.

TE TECHNOLOGY, INC.®

END–USER

TE Technology, Inc.

CHALLENGE

Paper timesheets and manual inventory processes led to excess inventory and overtime costs, as well as production delays.

SOLUTION

ScanForce provides timely, granular visibility into labor allocations/costs, material completions, and item locations.

ScanForce Delivers the Solution

After having helped other companies get control of their labor by partnering with ScanForce, TE Technology's Sage partner Bernie Lehman with Lehman Wesley introduced them to ScanForce. ScanForce's labor tracking enhancements create more accurate visibility into workflows and operational efficiencies.

"When TE Technology came to me, I recommended ScanForce because they are with us every step of the way during implementations, providing expert advice and the best support in the industry. They truly value their customer and partner relationships, and they back that up with their actions every day."

— Bernie Lehman
Lehman Wesley

TE Technology Reduces Labor Costs and Excess Inventory

By integrating labor scans with their ERP system, ScanForce provides better visibility on jobs currently being worked on. The scans are more accurate than the previous self-reporting method and allow for more granular data on work orders, which has improved the accuracy of costing data.

"The net results of the accurate times helped us better predict how much time was required for jobs remaining in the schedule," said Rick Buist, President of TE Technology. "It also gave us historical data from which we could identify areas for improvement or opportunities to reduce costs and increase profitability."

In the process of implementing ScanForce to help automate labor tracking, TE Technology has also benefited from Multi-Bin Management. The inventory staff scans materials being issued for work orders or moving from one bin location to another. Multi-Bin Management lets them use "virtual bins," which work as queues for certain departments, improving communication when item statuses change. Being directed to the proper bin location to pull components has increased efficiency and reduced inventory.

The Benefits of Working with ScanForce

Since implementing ScanForce, the company has been able to save time and money and increase accuracy by properly tracking labor hours and utilizing inventory bin locations.

Key benefits TE Technology experienced with ScanForce:

- Inventory levels dropped 11%
- Overtime has been reduced from 10-20 weeks per year to 1-2 weeks per year
- On-time work ticket completion went from 90% to 98%
- Inventory scrap is recorded daily instead of weekly or monthly
- Led to the development of better training and identifying backups for crucial roles

"What began as an effort to streamline one part of our process cascaded to other areas and led to an overall improvement on how we run our business."

— Rick Buist, President
TE Technology, Inc.