

Floe Industries Goes Lean on SYSPRO ERP Base

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■ The Company

Floe International, Inc., headquartered in McGregor, Minnesota, manufactures two major lines of aluminum-based products. One consists of boat docks and boat lift systems and the other encompasses recreational and utility trailers.

The firm was founded by now CEO Wayne Floe, who, as a teenager, started his own dock and boat lift installation and removal service. Using the knowledge he accumulated about how shorefront equipment should work, he began developing and manufacturing products and founded Floe International in 1983. He extended his passion for developing top-quality dock and boat life systems to the design and manufacture of aluminum snowmobile and recreational trailers, creating Floe’s second anchor product line.

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- Laurel Buchanan
Database Manager, Floe Intl.

Floe products, renowned for their unique features and top quality, are promoted via trade shows, the company’s comprehensive website and DVDs.

The Floe sales staff sells to dealers. While most dealers are located in the mid-west, the dealer network extends throughout the United States and Canada. (Floe has 165 active dealers; 56 carry just the marine products; 73 carry just the trailer products; and 36 carry both marine & trailer products.)

Floe produces product to “supermarket” stock in its two manufacturing locations based upon past sales histories and dealer projections. In fact, Floe urges its dealers to place orders prior to each major production season – Marine Season and Trailer Season. This enables Floe to promise specific delivery dates, providing better controls over production and shipping. “We eliminate a glut of orders from our dealers who want everything all at once,” says Floe Database Manager, Laurel Buchanan, noting that Floe averages approximately 500 invoices per month, with a high at around 1000 and a low around 250.

Recently, Floe experienced a surge in efficiency and productivity by switching to a Lean manufacturing environment. Floe utilizes Kanban, a JIT system which covers a cycle of replenishment for production and materials. Floe accomplishes this by producing to its “supermarkets,” maintaining set quantities in each. Explains Buchanan, “Basically, our production schedules are set depending on the season, what our forecasts indicate we need to have on hand and what sales orders are in house.”

■ AT A GLANCE ■

COMPANY

Floe International

INDUSTRY

Boat Equipment Manufacturing





The company's implementation of SYSPRO ERP software, purchased from RT Enterprises, is instrumental in facilitating Floe's Lean environment. A SYSPRO feature allows Floe to "backflush" a job to reduce paperwork and data entry, thereby speeding production. By issuing materials to the job as the job is being received into inventory, quantities being issued can be adjusted, and there is a point of traceability. "We only do 'backflushing,'" says Buchanan. "It lets us relieve the component inventory (and labor) automatically when the finished item is received into inventory. By eliminating Work in Process jobs, we reduce paperwork and data entry and enhance the production flow."

SYSPRO custom reporting is also fundamental to Floe's Lean environment. "Our supermarkets are set up in SYSPRO using custom fields. Linked programs pull all the information required to execute Lean. We can basi-

cally run one report, and it triggers others so that we can see what we have on hand and what we're going to be shipping in the coming week or two for each stock code in each supermarket. We can also see supermarket stock totals, basically, providing a view of where we are at anytime." The reports are based on live data, so reports differ each time they are run. "As we invoice items, the numbers are continually updated, so our production and shipping requirements always remain current," she says.

To further Lean practices, Floe employed the SYSPRO Learning Channel (SLC) to train employees. Subsequently thirty-two Floe employees were trained through the SLC's live broadcasts and archival library, leading Floe HR Manager Bret Bussman to estimate "a savings of \$50,800 in training costs."