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KENNY FRACHISEUR | MANAGER

Arquest, Inc.

Seamless ERP Software Integration with JD Edwards and RFgen.

At a glance...

Industry
Diaper Manufacturer

Application
Production Materials Management

Environment
Oracle JD Edwards

Arquest, Inc. is the premier supplier of store brand diapers, training pants and specialty products, to the world’s largest retailers. A privately held company founded in 1991, Arquest is a successful spin-off from Johnson & Johnson and is currently the second largest private label disposable diaper supplier in North America.

The Challenge

As a premier supplier of store brand diapers, Arquest faced tremendous competitive forces in an industry that was primed for consolidation. According to Carlos Richer, a leading diaper industry expert, in 2005, the world baby diaper market was valued at more than \$21 billion and the quantity of disposable diapers sold was more than 450 billion diapers.

However, at the Diaper Industry Conference, ‘Insight 2005’, Richer described the market as “the bleakest ever.” During these tough times, Richer predicted diaper manufacturers would fight for survival with the weakest players being forced to exit the market, correcting the overcapacity situation and easing competition. To survive, differentiation was critical.

The Solution

With intense competition from branded diapers, Arquest planned to increase its differentiation by offering a breakthrough service package in the diaper industry called Vendor Managed Inventory (VMI). To launch VMI, Arquest needed to engage retailers in a consultative partnership with the goal of managing the levels of disposable diaper inventory at retail outlets. VMI was only possible if Arquest developed a flawless merchandising support structure throughout its supply chain.

To provide the VMI service to its customers, Arquest began looking for a supply chain management technology that would deliver the following:

- 20% improvement in productivity and 30% increase in materials inventory accuracy.
- Improve overall efficiency of supply chain enabling a 50% reduction in work-in-process inventory and raw materials
- Effectively manage the transfer of ownership of raw materials in the production process – consignment of work-in-progress materials
- Efficiently manage the data collection process using wireless data collection terminals and seamless integration with current JD Edwards Enterprise Resource Planning (ERP) software

Arquest has a complicated process to track raw materials ownership in the supply chain. Raw materials enter the Arquest supply chain from multiple vendors and Arquest does not assume ownership of the materials until they are placed into production. This ‘consignment’ of work-in-progress materials is one of the most important cost containment Measures in Arquest’s supply chain. It is critical to have specific, accurate tracking of raw materials at the moment they are moved into production and ownership of those materials transfer to Arquest.

Arquest evaluated data collection software that was flexible enough to accurately collect complex shipment data from multiple vendors, advanced enough to seamlessly integrate with its JD Edwards database and sophisticated enough to manage the consignment

process of work-in-progress materials.

The Result

Arquest implemented RFgen from the DataMAX Software Group, Inc. due to its open architecture and how easily it integrated with Arquest's supply chain requirements. Prior to putting RFgen into operation, collected data was uploaded using a batch system which took a minimum of 8 hours to upload.

RFgen provided a real-time solution that uploaded transactions directly into the JD Edwards database and not only integrated data seamlessly with Arquest's current ERP software, but also verified the accuracy of the data collected prior to uploading. This significantly improved the productivity and accuracy of the Arquest supply chain.

Among the key considerations Arquest used for selecting RFgen over competing technologies was that the software achieved the following:

- Cost effectiveness – RFgen was less expensive than the other off-the-shelf solutions Arquest considered.
- Exceptional functionality – RFgen was able to easily create customized transactions and seamlessly integrate with the JD Edwards database.
- Operational efficiency – RFgen was more intuitive for the warehouse staff with minimal training needed.

The results as measured by Arquest show that the implementation of RFgen has led to:

- Eliminated accuracy concerns by using wireless data collection devices and being able to upload to JDE in real-time.

- Increased warehouse staff productivity by 30%, exceeding the goal by 150%.
- Work in progress and raw material inventory turnover was reduced by 50% from taking 4 days to 2 days.

Moreover, with a more efficient supply chain, Arquest had the real-time information necessary to implement the VMI service package. Kenny Frachiseur, Manager of Program & Development said, "RFgen is the easiest software to use. We went from idea to reality in less than a week. Prior to RFgen, those ideas remained in fantasy-land. It is easy to implement, it's scalable and allows us to update our JD Edwards database in real time. I've never second guessed the decision to go with RFgen."

In 2006, Arquest completed an expansion to double the size of its Camden, Arkansas production facility in order to keep up with growing customer demand.



About RFgen Software

Incorporated in 1995, California-based RFgen Software provides flexible and reliable mobile supply chain solutions that solve real-world business challenges. As a certified Oracle, SAP, Microsoft, Deltek and Vocollect partner, RFgen actively seeks companies facing challenges managing their internal supply chain operations and solves them using real-world experience, industry best practices, and state-of-the-art technology. RFgen's Mobile Framework division specializes in development tools for mobile, wireless and voice environments and provides open standards based connectivity to a multitude of systems (database, SOA, legacy, etc.). RFgen's ERP Integration division focuses on providing certified, open-source transactions and integration expertise for Oracle E-Business Suite, Oracle JD Edwards, SAP, Deltek Costpoint and Microsoft Dynamics solutions.

RFgen's Mobile Framework is an open systems development platform that speeds the path from idea, to proof-of-concept, to solution deployment. RFgen provides built-in, native functionality for extending real-time and on-demand access to enterprise data to almost any mobile device available today. RFgen's Mobile Solutions are currently installed in more than 35 countries, in over 2,600 locations, and are supported by a certified group of over 125 solution partners.

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