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TONY NAVARRO | STOCKROOM/SHIPPING/RECEIVING SUPERVISOR

Cobham Defense Electronics

Defense manufacturer puts RFgen Mobile Solutions to work in the stockroom and realizes a complete return on investment in only six months.

At a glance...

Industry
Defense

Application
PO Processing
Inventory Management
Sales Order Processing

Environment
SAP 6.0

Cobham Defense Electronics designs and manufactures active microwave components, assemblies and subsystems for the aerospace and defense industries, and is the leading supplier of many microwave products.

The Challenge

Cobham Defense Electronics stocks many parts and components that are used in production and assembly of products. When Tony Navarro was hired as the Stockroom/Shipping/Receiving Supervisor, he quickly observed a need to implement automation in the stockroom. “We put kits together out of the stockroom to send to production for assembly. We have lots of different types of components and some are very, very small – down to the size of glitter,” he explained.

“When I started with the company I inherited the stockroom which had 2,500 back orders that hadn’t been fulfilled. The employees were working 12 hour days, seven days a week. Prior to me coming on board, they had already been working at that pace for six to eight months. Once I walked in, I looked at the process and said we’ve got to get this automated. One of the things I proposed was to implement a solution where we could use wireless scanners and wireless printers to enhance the velocity of the kitting process.”

Regulations require Cobham Defense Electronics to be able to track and trace their parts. When Navarro arrived at the company, recording the traceability information was a time-consuming, manual process. “When a part comes in from a supplier, our team assigns

a tracking number when it comes through the door, or if we build something in-house, we give it an internal tracking number. Before we automated, everything was a very manual and tedious process. Every time we would kit something, it generated paperwork,” he recalled.

The Solution

After trying to automate the stockroom using the native screens in SAP, Navarro decided to look for an automated data collection solution that could simplify the process. Working with a solution provider, the evaluation team, led by Navarro, quickly settled on RFgen Mobile Foundations for SAP as their solution of choice.

RFgen Mobile Foundations for SAP is a suite of pre-written, SAP-validated data collection solutions that feature real-time, bi-directional information exchange with Cobham Defense Electronics’ SAP system. RFgen’s SAP enterprise mobility software supports wireless barcoding and mobile applications.

“RFgen could answer the needs we had back then and will continue to answer for any future changes, so it was a good fit,” explained Navarro. “We are going to transition from SAP to Oracle in the next year, and RFgen was adaptable for both ERP systems. It offered more bang for our buck.”

For initial implementation, the team at RFgen customized three stockroom transactions for Cobham Defense Electronics: a planned goods issue for picking, an unplanned issue for replacing components scrapped during production and an inventory transfer. "RFgen is a one-stop shop," said Navarro, "You go with them and they will help you out with programming when you need it. Right now, we don't have the programmers on site, so we rely on RFgen."

The Result

The stockroom team learned very quickly how to use RFgen with the barcode scanners and label printers. The kitters who had used wireless technology before at other companies picked up RFgen in about ten to fifteen minutes. Those who were unfamiliar with wireless technology were running RFgen and the scanners on their own in approximately 30-40 minutes.

Stockroom employees walk around with a wireless barcode scanner and a wireless label machine. As they pick stock from a bin by scanning its barcode, RFgen prints out two labels. One label is the "stay behind label" showing the deduction of current stock in that bin. The other label is a "go ahead label," and it is affixed to the kit so the item number can be identified to ensure traceability. The label also informs production of the number of each component included in the kit.

"RFgen streamlined our traceability process. My stockroom kitters use the wireless scanners to record the items they're picking. When we create our labels, we can just key in the traceability information for that particular item and it gets recorded on the label, on the order and into our SAP system," Navarro explained.

RFgen produced significant increases in productivity right away, enabling Cobham Defense Electronics to cut its labor and overtime costs quickly.

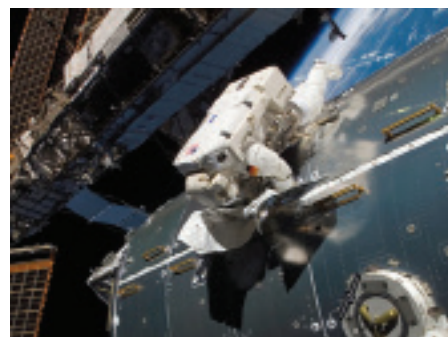
"We had projected to hit ROI in eight months and we did it in six months. That's how efficient we became using RFgen," Navarro said.

"In my initial proposal, we were trying to reduce our overtime down to the minimum. We set a goal for 25% cost savings on the overtime that we were spending, and 30% gain on efficiency in direct labor. When we deployed RFgen, we hit that metric. I have two shifts working, so we had pretty close to 16 kitters and reduced them down to 12. So not only did we get a gain in efficiency by reducing overtime but also reduced our total labor count."

Using RFgen in the stockroom has enabled Cobham Defense Electronics to:

- Enhance the velocity of the kitting process.
- Eliminate a back order of 2,500 kits for production.
- Experience 25% cost savings on overtime in the stockroom and gain 30% on direct labor.
- Streamline the processes for picking kits, issuing unplanned goods and transferring components between bins.
- Ensure the traceability of all components to comply with government requirements for defense contractors.
- Reduce labor costs by reducing the total number of kitters from 16 to 12.
- Enjoy a complete return on investment (ROI) in just six months after purchasing the solution.

Because RFgen has streamlined stockroom operations at Cobham Defense Electronics so well, Navarro is already expanding the solution to



include more processes. "Right now, we are enhancing RFgen to include three more transactions."

"When we first started we had RFgen program three transactions: good issue, unplanned issue and a bin to bin transfer. Now we want to also use RFgen for releases, confirmations and issues to cost center."

"I am a big advocate of RFgen. I would recommend it to any company that is kind of leery to jump into the automation process," concluded Navarro. "Once they start using it, they can see considerable savings just by automating and using the software to process orders. Ways to help the bottom line grow a little will show up within the first 30 days."

About RFgen Software

RFgen Software helps organizations reduce supply chain implementation costs and increase accuracy and efficiency with the industry's most reliable and flexible mobile data collection software and supply chain automation solutions.

Enabling you to increase productivity by providing your mobile workforce with real-time and on-demand access to enterprise data, RFgen's mobile data collection solutions easily connect Windows, Android and Apple iOS mobile devices like barcode scanners, tablets, handheld computers, voice recognition devices and more to your back office ERP systems and databases, including Oracle's JD Edwards, Oracle E-Business Suite, SAP, SAP Business One, Deltek Costpoint and more.

In business since 1983, RFgen is known in the manufacturing and distribution industries for its solid, high-quality products and high customer satisfaction ratings among its more than 2,800 customers. With a global reach and local touch, RFgen and its network of more than 140 certified solution partners can support your organization no matter where your operations are located around the world.

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