



Kerfab

ATTACH+GO

Kerfab's success story.
**Klugo's key role
paving the road for
company's success.**

Executive Summary

- Kerfab's **Make-To-Order model** requires orders to flow seamlessly between areas.
- To ensure **on-time delivery, they chose NetSuite** to replace a bespoke system.
- Klugo **tailored NetSuite + NextService** to create an integrated **production scheduling platform**.
- Hand-off and visibility between teams are now seamless at every stage.
- Increased efficiency has **reduced logistic costs**, and significantly **shortened delivery times**.

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This case study looks at how Klugo helped industrial machine manufacturer Kerfab **integrate the different elements of its production system into a single information management framework**. But their success story doesn't end there. The software engineers at Klugo went a step further and adapted the standard NextService platform into a bespoke task-driven application that revolutionised Kerfab's production and delivery.



Kerfab's rapid growth

Kerfab Industries was already doing well. Its business of manufacturing made-to-measure attachments for wheel loaders and bulldozers was thriving, and **existing information systems couldn't keep up with demand.**

But Kerfab's General Manager, Jay Chirnside, was concerned. **"Reliable delivery dates won us many customers, but we needed to step up our internal processes to match our growth,"** he said.

The challenge of MTO Make-To-Order manufacturing

Kerfab is a bespoke manufacturer of industrial equipment for the agriculture, construction and waste disposal sectors. This means every dozer blade, bucket or fork attachment produced at its plant **is manufactured to unique specifications** for a particular vehicle that performs a specific job.

There's no one-size-fits-all aspect to anything Kerfab does. To meet customer expectations, the distinct bespoke nature of every item the company manufactures requires seamless communication between the sales, engineering, procurement, fabrication and shipping teams.

Keeping pace with ground-breaking growth

As Kerfab grew, management realised that **the company's operational processes had to be modernised to prevent production delays and ensure on-time delivery.**

"Around eight years ago, we were using quite a primitive scheduling system based on paper flow," Jay Chirnside said. "This was labour intensive, slow and imperfect. It caused hiccups in our production process that could create delivery delays for our customers. We saw that as unacceptable and decided to automate our systems."




The winding path to Klugo

Kerfab first began working from an Excel spreadsheet, which did improve things. Then, a few years later, the company decided that **an Enterprise Resource Planning (ERP) system was needed to integrate all elements of its production system within a single information management framework.**

The management at Kerfab looked around at various ERP platforms and, ultimately, **they decided to build their own in-house version called Fabnet.** But success always breeds new challenges and **Kerfab's continued growth meant the capacity of Fabnet was soon stretched to the limit.** Kerfab's management knew they needed something better, but they were unsure how to find the right program to fit the company's needs.

"We kept hearing horror story after horror story about companies spending big on ERPs that didn't work. For example, one company with an annual \$10 million turnover spent \$500,000 on an ERP that turned out to be a dud," Jay said.





Oracle's acquisition of NetSuite, in 2016, gave Kerfab confidence that the platform might be the way to go. **But while NetSuite sells the application, Kerfab needed an implementation partner that could guide optimisation of this sophisticated ERP to the company's particular needs.**

"We heard very good things about Klugo from Headland Engineering, a regional NSW distributor of sheet metal machinery," Jay Chirnside said. "Headland's ringing endorsement made us think that Klugo could help us make a smooth transition to a better ERP that would help us grow as a company. It turned out we made the right choice!"

From the beginning, Kerfab managers could see that Klugo came to the task with a different approach. They were collaborative, flexible and respectful of Kerfab's business structures and corporate culture, and **they focused on working collaboratively to improve the company's workflow processes and increase productivity.**

The Klugo difference

Kerfab uses cell-based manufacturing. This means each team in the production process needs to produce its deliverables precisely when required to ensure a seamless production schedule.

Kerfab's management said their highest priority was optimising the company's manufacturing process to eliminate gaps leading to delivery delays that erode customer satisfaction. **Klugo provided the perfect solution in NetSuite's NextService application** that created a single integrated platform meshing every facet of Kerfab's production process into a seamless whole.

But achieving this result took considerable imagination and innovation because **NextService was originally designed for a different purpose** – Field Service Management. However, Klugo software engineers recognised the potential of this application for a manufacturer such as Kerfab and adapted the platform accordingly.

"Klugo took the basic NextService application and tailored it to the needs of an industrial machinery manufacturer. Thanks to Klugo, it's now a task-driven application that suits our purposes brilliantly," Jay Chirnside proudly said.



Jay Chirnside

General Manager

Once the sales team inputs an order, the NextService scheduler automatically informs the engineering team of the precise date this specific product's design must be completed.

The platform then generates a list of parts that the procurement team will obtain from suppliers. These are passed on to the fabrication team that builds the equipment. From

there, the finished equipment goes to logistics for shipment to the client and an invoice is issued.

The hand-off between each team is perfectly synchronised and seamless.

Everything is visible and everyone sees what everyone else is doing at every stage of the production. Hiccups in the process are reduced and Kerfab can promise delivery dates to its customers with complete confidence they'll be met.



Logistics savings

Klugo has also adapted the NextService platform to generate significant savings on Kerfab's logistics expenses. Each year the company spends over \$1.6 million on outbound shipping of completed orders to clients and inbound delivery of components from suppliers. **The NextService scheduling application has enabled Kerfab's logistics team to consolidate shipments routed to and from the same geographic region.**

"We were able to reduce our customers' wait time for deliveries and save on transportation costs. The NextService platform, as tailored to our needs by our Klugo partners, helps us drive down logistic costs by increasing efficiency," Jay explained.

Next steps

Kerfab will soon be opening a new manufacturing facility that will scale up production with the use of robots in an automated fabrication process. **The company sees Klugo as an indispensable partner in the transition to this cutting-edge technology.**

"Robotics are something new for us. **Our primary objective is to ensure that our ERP platform will communicate with our robots just as effectively as it does with our people.** I have every confidence that Klugo will be able to deliver the goods for us in this important step forward for our company," Jay Chirnside said.





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