

Hood Flexible Packaging

CGI helps bring benefits of QAD software to Hood

Hood's decision to implement the QAD MFG/PRO business software system in its plants in North America is bringing a host of business and technical benefits to the entire company, and CGI was just the right partner to make it all happen, on time and on budget.

THE CHALLENGE

In 1998, Hood announced it would be modernizing its business software system with the conversion to the MFG/PRO application by QAD software. The investment represented the single largest management systems change undertaken at the company. Hood processes more than 20,000 orders per year, and the QAD computer system would be designed to manage all these transactions efficiently in addition to a host of other business functions.

Based on a recommendation by QAD itself, Hood engaged CGI to provide ERP implementation services to the company's eight plants in Canada and the U.S. With the contract secured, the CGI team, responsible for project management, application consulting and implementation, assessed the considerable challenge ahead. First, there was the sheer scope of the project that would take them to Calgary, Burlington, Toronto, East Angus and Tyler, Texas in a window of only 18 months.

Then there was the prospect of transforming outdated legacy systems into an integrated, real-time, Web-enabled automated system for all of Hood's key business functions. Once completed, the QAD system would act as a major enabler for the company in all areas of operations, providing better inventory management, production planning, ordering, shipping, customer service, accounting and capacity utilization.

The project presented its share of technical challenges as well. Under the implementation plan, all plants would have to run on the same application and database. The Burlington head office would ultimately be linked with the company's eight plants in its plastics and paper divisions so they could share information, technical resources and business functions. (One database would enable the company to get an online view of operations at each plant). In addition, CGI had to prepare a strategy to foster employee acceptance of the system.

THE SOLUTION

About five CGI consultants worked on the business, technical and financial aspects of the system. Using a "train the trainer" methodology, the team was able to ensure a knowledge-transfer approach to foster Hood's ownership of the system. What helped considerably was the company's strong commitment to the project, which it viewed as the foundation for on going business optimization.

CASE STUDY

MANUFACTURING

Hood Flexible Packaging Corporation is a manufacturer of industrial packaging materials, including plastic film and bags, paper bags and coated papers. From its head office in Burlington, Ontario, the company employs some 900 people in 8 manufacturing plants in Canada and the U.S. Hood is part of the Hood Group of Companies, which employs more than 5,500 people in more than 60 plants and offices. The company's facility in Walpole, MA manufactures immunoassays and other chemical products for the laboratory testing segment of Bayer Diagnostics.

Ensuring plant readiness proved pivotal to the success of the project. This included executive level education on the system and pre-planning with the incorporation of operational and process improvements. The CGI team helped Hood's project managers identify four business loops for business functions that would be affected: finance, manufacturing, sales and purchasing.

A framework for conversion was established early on through the scheduling of training, data input and pilot conversions. Implementation was planned by plant on a month-by-month basis to coincide with the end of accounting periods.

THE TECHNOLOGY

- HP/Unix environment
- VPN network connecting to one data center in Burlington, Ontario
- Database (Progress)
- QAD software, MFG/PRO (for ERP, version Eb)
- Business intelligence (COGNOS and HYPERION)
- Communications (Lotus Notes)
- Customer access (This was made possible through Progress Webspeed in real time. System information is copied to a read- only file outside the system to ensure security. Through email files, Hood customer service groups are advised of any changes the customer wishes to make. Hood's current focus with respect to direct customer access is security, data accuracy and scheduling).

THE RESULTS

The QAD conversion was successfully completed in 18 months, as planned. All plant systems are based on a single server and application database to ensure a consistent application environment, resulting in lower costs, easier access to information and a more consistent way of doing business.

Thanks to CGI's knowledge-transfer methodology, users are now self-sufficient and Hood's own IT staff can manage the system. According to Eby, the QAD system is the biggest opportunity made available to the company in the last decade, providing better, more timely information for strategic and tactical decision-making.

Hood can now monitor machines and product movement, analyze the amount of waste or product being produced at each plant and consult any other data without ever leaving its main offices in Burlington. As a result, Hood's net sales have increased markedly since 1998, and plants are recording lower inventory levels and a substantial reduction in scrap.

The system also represents a boon to customer service. Customers are able to access selected data from the system to change orders, re-schedule deliveries, check the status of their accounts or track their invoices online. Likewise Hood's sales executives on the road can obtain client profiles for billing, shipment or order information. As a result of better data collection, Hood can better forecast and manage its inventory, provide more accurate accounting and maximize efficiencies in manufacturing, purchasing and sales. As for the implementation itself, there were nothing but kudos for the CGI team.

"CGI developed an efficient plan that encompassed all phases of organizational change. They were very proactive and practical in guiding us through the process and didn't leave us with any loose ends."

"CGI did an excellent job throughout the entire project. All processes were on schedule and on budget. There were no failures."

Todd Eby, chief financial officer,
Hood Flexible Packaging.