CASE STUDY

Nemak Standardizes Their Barcode Labeling, Reduces Manual Errors, and Automates Printing out of their ERP with TEKLYNX CENTRAL

Solution: TEKLYNX CENTRAL
Industry: Automotive

Background

Nemak is a leading provider of innovative lightweighting solutions for the global automotive industry specializing in the development and manufacturing of aluminum components for powertrain and body structure applications. Headquartered in García, Nuevo León, Mexico, Nemak has more than 38 plants, employing over 23,000 people in 16 countries throughout the world. As a key player in the automotive industry, Nemak faces a wide variety of labeling requirements and needs to adhere to internal standards, varying customer requirements, as well as automotive industry labeling regulations including AIAG, VDA, and Odette. Acquisitions and consistent business growth resulted in an even more complex labeling process for Nemak USA across three locations - Wisconsin, Kentucky, and Alabama - leading Nemak to look for a solution to corral their disparate systems and automate their labeling process as much as possible.

Nemak USA's former labeling environment allowed all users to access label templates with minimal security and a lack of validation between roles, and disparate systems across the labeling environment made that process difficult to manage. Because of this, inaccurate labels were entering production resulting in costly chargebacks to the business. Freedom Ryan, EDI Coordinator for Nemak USA, knew it was time to standardize and centralize barcode labeling systems and processes to create a streamlined and error-free labeling environment at Nemak.

Challenges

- Manual processes caused by disparate systems

- No validation system in place resulting in errors and wasted labels

- Inaccurate labeling caused regular customer complaints and costly chargebacks

Results

- Automated label printing out of SAP made labeling 100% easier, eliminating the worry of manual errors

- Validation system in place to remove risk of harmful chargebacks

- 98% improvement in labeling accuracy rate

- Complete flexibility with label templates to allow for quick response to business and customer requirements

Some of Nemak USA's plants were printing 800 – 1,000 labels daily, leading to increased risk of error and customer chargebacks. Ryan wanted to find a solution that could supply more security between label design and print users, cut down on wasted label stock, and reduce the risk of bad labels entering production. Because one in every four vehicles worldwide includes a Nemak part, it was crucial to implement an all-encompassing solution that was streamlined, precise, and enabled error-free labeling.

Solution

Prior to evaluating new labeling solutions, Nemak was using TEKLYNX label design software LABEL MATRIX for automotive label design coupled with Zebra printers and their SAP ERP system. Nemak evaluated several labeling solution providers, including Loftware and TEKLYNX.

Nemak was looking for a software provider that could:

- ✔ Supply an efficient, on-demand labeling solution requiring little to no human interaction
- ✔ Remain compatible with previously made templates to avoid labeling interruption
- ✔ Deliver customer & technical support whenever a potential challenge arose
- ✔ Enable compliant automotive label printing with validation checks to ensure accurate label data for products

> TEKLYNX CENTRAL is a browser-based, integrated enterprise label management system that combines the proven technology of TEKLYNX label design, printing, and tracking software into a single solution that allows companies to centrally manage their entire labeling process.
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The TEKLYNX Enterprise Team was eager to help Nemak accomplish their labeling goals and support them throughout the transition process with minimal impact to operations. Nemak collaborated with the TEKLYNX Enterprise Team to determine that enterprise label management solution TEKLYNX CENTRAL would be the right fit for Nemak.

Because of the services and support TEKLYNX offered and internal familiarity with TEKLYNX labeling solutions, Nemak decided to remain partnered with TEKLYNX and implement TEKLYNX CENTRAL to standardize and centralize labeling company wide. "When companies implement a new ERP system, they have the opportunity to upgrade ancillary systems to further increase their return on investment," states TEKLYNX Enterprise Sales & Support Engineer Scott Fabian. "We knew Nemak would benefit from this while also addressing their need to label more efficiently and eliminate manual steps."

TEKLYNX recognized how vital it was for Nemak to continue production with limited interruptions throughout their transition period. The TEKLYNX Enterprise Team stepped in and over a three-month period, transitioned all label templates, integrated all disparate data with one cohesive SAP ERP system, and handed over control to the Nemak IT department. "We decided to remain with TEKLYNX because their solutions exceeded expectations and historically have been great to work with," states Freedom.

Results

With the help of TEKLYNX CENTRAL, Nemak was able to increase labeling accuracy to 98% by implementing a secure label approval process and automating label printing directly out of SAP to their Zebra printers. This greatly reduced the risk of costly chargebacks and put Nemak in a better position to comply with regulatory and customer standards in place throughout the automotive industry. "Prior to implementing TEKLYNX CENTRAL, we had at minimum one customer complaint and one chargeback per month for inaccuracy issues. There are some instances where we had several in one month," states Ryan.

With their newly implemented TEKLYNX CENTRAL solution, Nemak was able to reduce label design time by as much as 75% and cut time spent fixing manual errors in half. Time spent previously dedicated to correcting labeling mistakes is now spent working on more prominent projects. Nemak's customer satisfaction rating was also positively impacted by the TEKLYNX CENTRAL implementation, increasing by 75%. By standardizing, centralizing, and automating its systems & processes, Nemak was able to reach their ideal labeling environment in all locations worldwide. "At TEKLYNX we take immense pride in knowing that our enterprise label management solution, TEKLYNX CENTRAL, improves accuracy and increases efficiency, positioning Nemak to keep driving growth within the automotive industry," states TEKLYNX General Manager, Doug Niemeyer.

> "There is no such thing as stupid-proof; automate labeling processes as much as possible. The more you can automate, the better outcomes you will achieve. TEKLYNX and the enterprise team were instrumental in making that happen for us. They helped remove the heartache of learning something new and made every ounce worth it."
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> *-Freedom Ryan, Nemak*