

Federal Corporation

Company name: Federal Corporation (Taiwan)
 Company address: 369 Zhonghua Road, Sec street ,
 Zhongli City, Taoyuan County (320), Taiwan
 Established: 1954/11/23
 Capital: NTD 3,355,000,000
 Employees: about 800, total 1800 in the group

Business:

Development of high-quality tires and production of
 UHP, SUV, LTR, PCR and other series tires
 URL: <http://www.federaltire.com/en/>



Proportion of products delivered directly without having been stored increased from 45% to 85%, leading to savings of 50 million NTD/year, inventory turnover was reduced from 20 to 15 days contributing another 60 million NTD/year

Federal is a Taiwanese company established in 1954. Through technical cooperation with Bridgestone in the '60s and Sumitomo Rubber in the '80s it laid a solid technical foundation and built its own brand - Federal Tires. With quality improvements for UHP and SUV products, Federal is growing rapidly.

Federal implemented Asprova in June 2009 for the forming and sulfuring processes.

We interviewed consulting department manager Mr. Zhang Jiayuan and the production planner Miss. Wang Hailing and asked them about the background, the reasons for choosing Asprova, the results they were able to achieve and future goals.

Searched production scheduler since 2002, at last chose Asprova

Before implementing Asprova, Federal used Excel to create their production plan. However it neither current sales information nor inventory levels were taken into consideration. This made it difficult to synchronize production and sales, resulting in high costs that seriously affected the company's profits. Another problem was that with an increasing number of small but diverse orders, more rush orders and more frequent order changes, it became impossible to update the plan manually in time. This led to late deliveries and an inefficient use of production capacity.

This situation caused Federal to look for a scheduler to solve these issues.

Mr. Zhang said: "Actually, I have been interested in a production scheduler since 2002. Such a big project, involving many adjustment and closer cooperation among departments, meant that some procedures would have to be changed. We knew that we had to make a well thought out decision."

Being asked about the reason for choosing Asprova, Mr. Zhang replied: "We also evaluated local and European products, but after comparing, we felt Japanese software was closer to the Taiwanese management culture. Asprova is easily implemented and the GUI is simple. I believed that we can adapt it in a short time, and Asprova is so flexible that we can use it even if processes are going to change in the future."

■ user comments



Federal Corporation
Consulting department
manager
Mr. Zhang Jiayuan



Federal Corporation
Consulting department
Production plan planner
Miss Wang Huijing

With Asprova scheduling time was reduced from 1-5 days to 30-60 minutes. This increase led to 40% more products that were sold. We are also going to implement Asprova at our Nangchang plant. Asprova SCM sounds very interesting and we are going to assess its application.

■ Evaluation of Asprova
Scheduling is fast
Plan accuracy is high
Inventory levels are lower
Delivery dates are confirmed in time

Combination of automatic scheduling and manual adjustment

Miss Wang Huijing was in charge of implementing Asprova: "When we started, the synchronization of the forming and sulfuring processes was our bottle-neck, as optimizing for one meant disadvantages for the other. Currently we first schedule automatically and then we adjust the result manually. Our goal is reduce the time that is spend on adjusting the sulfuring line, relocating the forming line machines to shorten move times, dealing with human resource constraints when exchanging sub-resources, etc. We are going to understand Asprova more to try to achieve optimization by setting up different parameters."

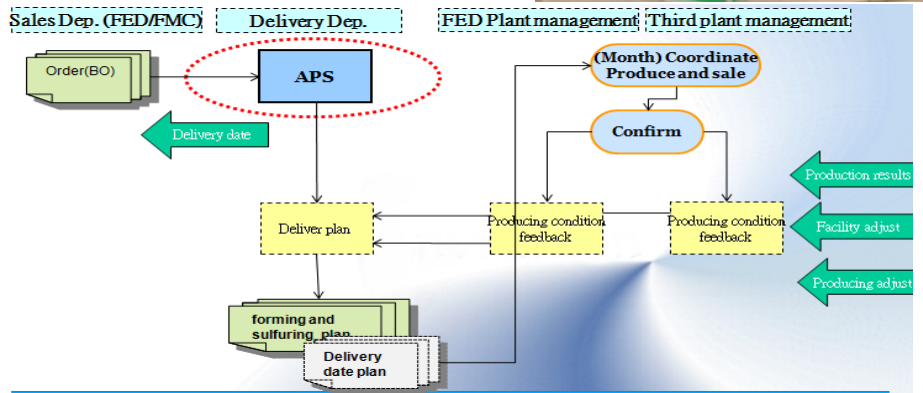
Proportion of products delivered directly without having been stored, on-time deliveries are up to 95%, inventory turnover has been reduced from 20 to 15 days

Federal produces over 80 kinds of tires every day, which is twice as variation as other companies have. Since implementing Asprova, high speed scheduling was achieved,

the proportion of products delivered directly without having been stored increased from 45% to 85%, leading to savings of 50 million NTD/year; on-time delivery rate is now 95% from 70%; material inventory turnover was reduced from 20 to 15 days contributing another 60 million NTD/year.

Expansion to mainland China, Asprova SCM also into view

Federal currently ranks 44th in the list of the world's tire producers. With a "continuous innovation" business philosophy and over hundred sales and service offices overseas, they aim for top 20 spot in the next 5 years. Because they achieved remarkable results by using Asprova, the Taiwanese headquarter is considering implementing Asprova in plants in the Chinese mainland. To communicate with plants overseas well and full use resources to reduce costs, Asprova SCM(supply chain management) also into view.



Asprova Corporation

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