

Fast Answers means a Fast Return on Investment for Brazilian Packaging Company



Mega Embalagens was established in 1995 in Salvador do Sul, a small town just 100 km from Porto Alegre, the capital of Rio Grande do Sul in Southern Brazil.

With a modern industrial site of 9,000 m², Mega has focussed its production on flexible plastic packaging for food, pet food, cosmetics and beverage industries. Their customer list includes, for example, Nestle and Procter & Gamble.

This is a very competitive segment of the market but Mega is proud to be able to maintain an important market share in Brazil and to export part of its production to other countries in South America.



Mega's production process is split into 5 steps: extrusion, printing, lamination, refilling and, finally, welding & cut. They work in a make-to-order environment but have a lot of problems scheduling production because huge variations in demand. Handling small orders with tight due dates that can change at short notice in terms of quantity and priority are just some of the problems that they must cope with.

Mega staff realised that they needed a tool to help them deal with the scheduling problems so that alternative scenarios of production taking into account urgent orders, changed priorities and/or due dates, breakdowns, overtime, etc could be generated. They started the process of evaluation of scheduling software that could help on their day-by-day difficulties but also something they could afford.

Marcio Schwank, Mega's Production Manager of Mega, described their problem. "The big frustration for someone who deals with production planning and scheduling is that they cannot evaluate in advance and quickly the consequences of all the changes on both demand and capacity. This is imperative in our kind of business.

Otherwise, when decisions are made based on superficial information the consequences will, at the end of the day, impact on our profit”.

In 2005, Mega made contact with ACCERA Supply Chain Solutions, a Preactor Solution Provider based in Rio Grande do Sul, and together they started to build a solid and successful Preactor solution.

Cristhiano Fae, director of ACCERA, remembers their first meetings when they defined the main targets of the project. “They wanted to be able to generate alternative production scenarios, handle changes in priorities and due dates, improve communications between sales and production and reduce client lead-time. That was quite a list!”

PREACTOR CHALLENGE

After choosing Preactor, Mega started the implementation process with ACCERA ‘s assistance. The first step was to map all capacity constraints and decide which would be handled by Preactor and how. From the beginning they realised that several setup matrixes would be necessary and it became an importante issue for the project. Mega then concentrated their efforts on obtaining the data for the 18 different setup matrixes. Then they started to evaluate and adjust production times and soon after was creating their first production scenarios.

In addition they worked on the integration of Preactor and Mega’s ERP package, CIGAN, a Brazilian product. At that time they realised that something else was needed in terms of the system to improve their sales process. In parallel with Preactor, then, Mega have implemented a new web based sales interface, that is linked with Preactor.



RESULTS

Mega has achieved a much high level of customer service using Preactor with an optimized production, higher efficiency, and has better visibility on delivery dates (on time or not!).

Mega's Marcio Schwank commented on the results. "We are very happy with the results achieved and ACCERA's support. Our main target was improve our deliveries however several other benefits have been obtained. Mega's on-time delivery performance is up from 70% to 100% and the production lead-time reduced by 21%. Considerable reduction in work in progress has been achieved through better visibility of future bottlenecks where we could take action in advance".

*A empresa obteve redução de **83%** nos atrasos e **21%** no lead-time de produção.*



Cristhiano Fae concluded, "Mega is a company in a very competitive market where quick answers and on-time deliveries are the keys to success. Today Mega see Preactor as a strategic tool to beat their competition.