



## NEC's FlexProcess Production Management solution at Ajinomoto (Malaysia) Berhad

When one of Malaysia's largest and most prestigious food and beverage companies outgrew its existing production information systems to help it increase efficiency and flexibility in logistics and production, it chose NEC's FlexProcess for the management of inventory, production management and production planning.

### ObTech helps Ajinomoto (Malaysia) Berhad to increase growth

#### The Business

Ajinomoto (Malaysia) Berhad implemented FlexProcess at its processed foods division. This is one of 3 manufacturing divisions at Ajinomoto (Malaysia) Berhad. The first division focuses on the production of Ajinomoto's range of established products; the second division breaks down soy protein to derive amino acid; and the third division manufactures processed foods. Over the period from 2000 to 2003, Ajinomoto's business registered a growth of around 150%. It was Ajinomoto's desire to continue its expansion in the future. Until the implementation of FlexProcess, Ajinomoto (Malaysia) Berhad had to manually track and input changes in the process requirements using Microsoft Excel. However, as the range of products produced by the food processing department became more diversified, it became more and more difficult to manually plan production and material deployment. Ajinomoto (Malaysia) Berhad has more than ten types of product categories and each product category comes in a wide range of SKU's or materials such as packaging in different sizes or materials uses and designs. With more than a hundred types of ingredients, over 400 types of final products are produced. This was why Ajinomoto needed a new information management system. To cater for future production expansion, strengthen their ability to respond to rapid market fluctuations as well as improve production planning, material deployment and inventory management, Ajinomoto (Malaysia) Berhad decided to implement FlexProcess in their manufacturing facility.

Established in 1961, Ajinomoto (Malaysia) Berhad started their factory production in 1965. It is currently listed on Malaysia's Kuala Lumpur Stock Exchange (KLSE) and generates an annual turnover of 164 million Malaysian Ringgit (approximately US\$43 million) for the financial year 2003.

Ajinomoto (Malaysia) Berhad places great emphasis on quality and technology development and operates state-of-the-art manufacturing facilities in the fast changing and increasingly competitive market. Rapid technological developments, increased globalization and changing market conditions contribute to the competition within the industry, making the need for closer collaboration and knowledge-driven business processes across the enterprise more critical.



"By adopting the FlexProcess system, we have been able to significantly increase inventory transparency as well as strengthen production, defect and waste management"

Takuji Umeda  
Chief Production Officer  
Ajinomoto (Malaysia) Berhad



## Why ObTech?

Over a period of 6 months starting in April 2003, Ajinomoto (Malaysia) Berhad conducted thorough studies and finally selected FlexProcess. Their selection criteria included - the ability to manage a mix of high and low-volume production in a flexible way; a system designed for the food manufacturing industry; and provides critical cost analysis. The ability to easily integrate with existing systems was also a major consideration. And finally the system had to be, above all, extremely flexible and easy to use. The ability to easily customize and simplify ledger sheets; the ability to retrieve necessary data easily; and the ability to provide flexible support to our company's business processes were all major decision criteria. FlexProcess is the only system that is capable of satisfying all of these requirements.

## The Implementation

Ajinomoto (Malaysia) Berhad implemented NEC's FlexProcess across its manufacturing division in an aggressive timescale, beginning in September 2003 and ending 8 months later. The project included the integration of FlexProcess to other Ajinomoto systems that were already in place. Having achieved a stable system that addresses all the Ajinomoto business needs, Ajinomoto has plans to roll-out FlexProcess across all regional departments in the near future.

## Business Benefits

By adopting the FlexProcess solution, Ajinomoto (Malaysia) Berhad has been able to significantly increase inventory transparency as well as strengthen production, defect and waste management. Ajinomoto now has more precise information pertaining to inventories, including product inventory, ingredient inventory, production-site inventory and in-process inventory that enable them to manage the production process more effectively. This has also enabled their financial information to become more up to date.

Furthermore, Ajinomoto (Malaysia) Berhad is now able to implement improved management in the area of CRP (Capacity Requirements Planning based on an accurate grasp of production load status during the production process) and MRP (Ingredient and material requirements planning). They are also able to dramatically reduce production labor and time. The system gives them more accurate information of their inventory levels and the actual production situation and status. They have been successful in eliminating excess inventory and are in a better position to manage their shipment process.

# AJINOMOTO

## About Ajinomoto

Ajinomoto (Malaysia) Berhad is a member of the Japanese Ajinomoto Group, a world leader in food products, amino acids, and fine chemicals. Ajinomoto Group takes a multi-directional approach in expanding its business which includes foodstuffs (both domestic and imported), amino acid, medical drugs and others.



## About the solution

NEC's FlexProcess is an ERP solution designed specifically for the process industries and helps you build an information system that streamlines business processes, reduces TCO (Total Cost of Ownership), and adapts to changing business environments.

No matter where you choose to take your organization, NEC's FlexProcess can adapt to your business and support your industry-specific goals and objectives. With its powerful object oriented technology, full support for .NET and a Business Intelligence Suite, the system can bring information together from any source and allow you to view it in the context of your industry.

 **FlexProcess™**

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