



Klune Industries

Improving on-time parts delivery with SAS®

Industry

Manufacturing

Business Issue

Retain, attract customers in the post-9/11 economy.

Solution

SAS helps keep track of jobs to guarantee on-time delivery, which keeps customers coming back.

After terrorists used commercial airplanes as weapons in the September 11, 2001 attacks on the United States, many airline carriers struggled to recover in an industry that was already struggling. Meanwhile, the U.S. government began beefing up defense systems as it shifted into war mode.

Together, these events have created all sorts of ripples throughout the American economy. In this environment, manufacturers such as Klune Industries know that, more than ever, they must change the way they do business to meet their customers' needs and stay ahead of the competition. To fuel that effort, Klune turned to SAS.

Klune produces and assembles components for both commercial and military use in the aerospace and defense industries. "We are roughly 30 percent commercial and 70 percent military," explains Mike Meehan, support manager at Klune. "And while the commercial industry is suffering, the military industry is picking up. So it's a very volatile and competitive market right now. For us to continue our contracts and to gain additional work orders, we have to deliver consistently on-time parts to the customer. The best way we've found to do that is by using SAS."

Increasing competitiveness

According to Clint Muhlestein, Klune's SAS programming lead, capturing financial and performance data and sending it to the right people, when they need it, can be a difficult challenge – especially on the manufacturing floor.

Muhlestein explains: "When we receive an order and begin processing parts, the biggest issue we've had in the past is our job scheduling – making sure all our functions are synchronized to make our on-time deliveries." Before turning to SAS, Klune's managers relied on a series of manual processes throughout the 160,000-square-foot plant to keep up with part numbers, part locations and production problems – all in an effort to log the daily status of each job.

Each morning, program managers, engineers, planners, and shop leads would gather in Klune's "war room" for a 90-minute meeting to update their whiteboards – this only after several key people had spent up to three hours talking to shop leads and other workers to determine the current status of their respective projects.



This process was time-consuming and often relied on human memory instead of real-time system data. Klune tried to address the problem with spreadsheets, but that approach was limited and took a lot of manipulation and reformatting for updates and reports.

So Klune turned to SAS for top-notch analytics, quick and easy data manipulation and posting, as well as on-the-fly reporting. "SAS is really good for

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Bob Ballantyne
Program/Sales Manager
Klune Industries

bringing information together and putting it in one package that's very readable and presentable,” Muhlestein says.

From whiteboards to desktops

Pulling information from several data sources, SAS allows Klune employees to gather comments as well as up-to-the-minute information about products, work centers, project status and responsible parties for a clear view of the daily status reported for their morning meetings.

“We have 90 computers connected to our network that are available throughout the facility for employees, who can log on to the system each morning to update and review their own work centers,” explains Bob Ballantyne, Program/Sales Manager. “This facilitates very effective morning meetings now, where we can bring the entire leadership team together and go over every program in the facility in 30 minutes, which used to take an hour and a half. The beauty of that is that it's not just management making the reports. It's the mechanics from the machine shop and the assembly line, the supervisors from the paint and process

organizations and others committing to a set of criteria that they now have, in real time, right on their computer.”

On time all the time

SAS has been a major contributor in improving on-time performance. As a “direct result of using SAS,” Ballantyne says, Klune has improved on-time delivery in the last two years from 85 percent to 95 percent and better. “Implementing our SAS solution is one of our top priorities to retain and grow our business in this very competitive market,” he adds. “It's made a huge difference in our ability to keep track of products in our shop. It's also allowed us to significantly reduce our inventory because with SAS, we have a better understanding of where everything is so that nothing gets lost or duplicated.”

Communications at Klune have dramatically improved throughout the plant as well. SAS allows everyone involved in the manufacturing process to see how they're performing and to keep on track with important customer deadlines. Muhlestein and Mark Livingston, a SAS Programmer at Klune, are expanding Klune's use of SAS externally to give custom-

ers access to their SAS manufacturing tracking system and allowing them to view status reports from each morning's meeting. “Our customers are requesting we give them access so that their buyers can log on and get a real-time status of their parts,” Ballantyne says. “It's something the industry as a whole does not do, but would very much love to see.”

Tapping SAS' potential

Klune is also working on a forecasting application to help manage manufacturing costs. Using SAS to pull job histories from their Vantage database, Klune has begun to forecast profitability by month, quarter and year.

“We know what the potential of SAS is, and we're just scratching the surface,” Meehan says. “If we had not implemented SAS, our delivery performance would still be where it was two years ago. SAS has helped us gain a competitive advantage by knowing exactly what the picture is inside our facility and by helping us respond quickly to customer needs when required.”



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