

Case Study

About The Company

[Ardagh Group S.A.](#) is a leading packaging business operating 88 facilities in metal, glass and technology across 25 countries.



Headquartered in Luxembourg, Ardagh Group employs over 14,000 people, produces approximately 25 billion containers a year and holds number 1 or 2 positions in all of the markets it serves worldwide.

Divisions:

- **Metal:** Ardagh Group helps its customers to differentiate their products, providing tailored solutions with innovative shaping, printing and convenience features across all sectors, including: processed foods, aerosols, seafood, pet food and specialty markets.
- **Glass:** Ardagh Group manufactures glass packaging for some of the world's biggest brands across every sector including, beers, foods, wines, soft drinks, spirits and pharmaceuticals.
- **Technology:** Ardagh Group has associated technology businesses that provide services and equipment to the glass and metal divisions as well as the wider market ([Heye International](#) and [UniMould](#)).

The Challenge

Approximately 12 years ago, Heinz sold off the brands and packaging of certain products to Del Monte. At the same time, they sold the can-making part of their

business to Impress in the US (now part of the Ardagh Group). Part of the arrangement with Del Monte going forward was that Del Monte would be a customer of Impress.

To help the company handle the increased load, the US plants implemented QAD as the enterprise solution of choice. However, at the time, the company was primarily interested in benefiting from QAD's Financials and did not set up any automated data collection. That meant tracking production and inventory by writing things down on tickets. Not terribly efficient.

About three years ago, the Ardagh Group began construction of a state-of-the-art plant in Conklin, NY for the specific purpose of making easy-open can ends or "lids" as part of this agreement with Del Monte. Although the company had made easy-open lids previously, this facility would produce leading edge steel easy open ends for the North American market.

The company committed \$30 million to this new plant – including the goal of being certified in Leadership, Energy and Environmental Design (LEED). Additionally, the operation has a ZERO landfill program. This means the Conklin facility is committed to recycling all its generated waste sending nothing to landfill.

That level of commitment made it clear that "business as usual" was not going to be acceptable at Conklin. It was time for an automated data collection (ADC) solution. But which one?

The Solution: Why Eagle?

Joe Salemi, IT Manager for the plants in the US, first encountered Eagle in 2006 at a user group meeting, well before the Conklin facility was on the drawing board. Although he could not get Eagle into his plants at that point, he remembered. And when the time came, his first conversation was with Eagle.

When asked why, he replied, "Eagle's commanding position in the ADC space and their long track record made them the logical first phone call. And I'd been pleased with what I'd seen and heard from other customers."

According to Joe, "Before committing to Eagle, I did speak with an Eagle competitor, but they seemed to be busy playing catch-up to Eagle. It was hard to even get a quote with a logical '*this is the solution*' out of them. This competitor may (or may not) have great technology, but I'll never know because I never got past '*this is how it will fit in here and how it will work*'."

"Eagle was able to tell us exactly what we needed to know to make an informed decision," continued Salemi. "They were a proven player, and the consultant who worked with us in both pre- and post-sales added immeasurably to the success of the project. He was able to point us in the right direction about what we needed, about process flow and about the areas where we could significantly improve productivity and reduce cost."

The Results

According to Joe, "We have a very simple manufacturing process in Conklin. What we wanted was fully lot-serialized pallet inventory. Some of the plants feeding Conklin take coils of steel and cut them into sheets, and then coat them and ship coated sheets of steel to Conklin and other facilities.

"Conklin gets coated sheets of steel (pallet full), which they put through their part of the process, which consists of four steps:

1. Press out an end from the coated sheet of steel (where an "end" is a lid to a can)
2. Using a conversion press, add the little pull ring
3. Score the outside edges so that the ring can be easily pulled
4. Put the coating back after scoring the steel.

Very straightforward – sheets come in one end and finished product comes out the other.

One of the key goals for Conklin was the ability to track inventory. The company does not have serialized pallets in its other facilities. Conklin is the first plant in which every pallet is tagged, and every finished good pallet as well. Here are some of the results at Conklin:

- PO Receiving is done with Eagle, tagging everything that comes through the door. Inventory movement is done with Eagle.
- Finished pallets are tagged, then shipped using Eagle's shipping functionality.
- Eagle is used for physical inventory and cycle count.

Joe Salemi continues, "None of these activities is difficult for Eagle – it's their basic Inventory Tracking 101 using ADC. But it was new for us."

The Benefits

Competitive Advantage, Productivity and More

The Ardagh Group can-making operation uses 18-gauge steel – the lightest and thinnest easy-open end on the market. Imagine that you manufacture literally billions of cans every year and can shave a millimeter off the thickness or the length of each can or can end; the saving in raw material is staggering.

- While Eagle does not change the manufacturing process that makes this possible, **accurate inventory control** leverages the savings. An inventory valuation would reveal that the cost is in the coated steel sheets. That means keeping track of where the sheets are and how much you have is invaluable.
- Conklin's inventory ties back to its **supply chain** – even feeder plants that supply them can see the inventory and know what's happening

- According to Joe Salemi, "Physical inventory at Conklin demonstrates **mind-blowing accuracy**. In plants that are not running Eagle, there is, of necessity, a larger tolerance for variance.
- In Conklin, it takes a fraction of the **time** to do physical inventory, and accuracy is 100 fold better.
- The **manpower** required to handle Conklin can efficiently manage and track inventory, get more detail, improve the shipping process – and do so with fewer people.
- All of these activities take place in real time, as they happen.

About Eagle

Eagle Consulting & Development is the leading provider of portable wireless technology solutions for users of QAD Enterprise Applications worldwide. Eagle's product, RF Express™ for QAD Enterprise Applications, provides functionality for fault-proof, real-time automated data collection and bar coding at the single site or multinational level enabling manufacturers to achieve their data accuracy, inventory accuracy, labor cost and efficiency goals. Over 800 QAD customers around the world have chosen Eagle to meet their automated data collection needs.

For more information, visit www.eaglecondev.com or contact Bill Paone at +1.973-838-5006 ext 119. RF Express™ for QAD Enterprise Applications is a trademark of Eagle Consulting & Development.