

CUSTOMER SUCCESS STORY

**INDUSTRY**

Distribution

BACKGROUND

OSG Europe is a multinational manufacturer and distributor of precision cutting tools used in the automotive, aerospace and precision instrument industries.

CHALLENGE

Replace its existing ERP system in order to support the company's growth and sales objectives.

SOLUTION

OSG selected Compiere's enterprise-class ERP software based on its affordability, along with robust functionality and ease of customization.

RESULTS

With Compiere, OSG reduced their inventory by 13% and improved order fulfillment rates by 92% within 24 hours.

COMPIERE PARTNER

WinFloware



Multinational Manufacturer and Distributor Reduces Inventory and Improves Customer Service with Compiere ERP

BUSINESS OVERVIEW

OSG Europe, the European headquarters for Japan-based OSG Corporation, is a multinational manufacturer and distributor of precision cutting tools used in the automotive, aerospace and precision instrument industries.

CHALLENGE

OSG Europe needed to replace its existing ERP system in order to support the company's growth and sales objectives. The 20-year-old system lacked the functionality needed to streamline operations for e-commerce, order processing, inventory management, shipping, purchasing, financial analysis and accounting.

In addition to improving operational performance, OSG sought a modern, cost-effective ERP system that was easy to upgrade and customize. Any replacement system had to support multiple languages and currencies, as OSG Europe is comprised of eight locations with varied languages and currencies. Each

location also required a separate account containing information such as sales and purchasing transactions, while enabling OSG Europe to maintain a consolidated company-wide view of assets such as products, customers and suppliers.

SOLUTION

OSG began evaluating a number of ERP options such as Microsoft's Axapta, but determined that the ROI and functionality of "traditional" proprietary ERP solutions didn't meet their needs. Because the company was already operating several programs on a Linux system, they expanded their search to include open source ERP system providers. And this is where OSG discovered Compiere's enterprise-class ERP software. OSG selected Compiere based on its affordability, along with robust functionality and ease of customization. The system's flexibility and ability to integrate with other programs, along with the expertise and knowledge of Compiere's partner community, were also key factors in OSG's decision.

“Compiere has provided us with a modern, cost-effective ERP solution that not only delivers visibility and efficiencies across our operations, but also allows us to quickly and efficiently customize and upgrade the system to meet our evolving needs.”

— **Nobu Osawa**
Managing Director
OSG Europe

RESULTS

OSG worked with Compiere partner, WinFloware, to configure, implement and migrate data to the new system. To date, the company has integrated its accounting, inventory, manufacturing, and e-commerce operations with Compiere, therefore standardizing processes across its eight European locations. Currently, OSG uses Compiere to:

- Automatically update sales, purchasing, and inventory transactions of their financially independent subsidiaries;
- Maintain separate accounts for the different company operating groups while having the ability to share products, customers and suppliers;
- Interface directly with their parent company in Japan (e.g. send orders or invoices electronically, and receive delivery information, and receipt of goods);
- Centralize Compiere in one location to eliminate duplicate entries between their subsidiaries and headquarters;
- Manage 50,000 different products; and
- Easily integrate barcode, labeling and quality control systems.

With Compiere, OSG has reduced reporting time and enhanced operational performance across the company's operations. Some of the more significant results to date include:

- Reduced total inventory investment by 13 percent;
- Decreased order timeframes: 92 percent of customer orders are shipped within 24 hours (more than 500 orders are shipped per day);
- Achieved their goal of 99 percent inventory availability for the high volume stocked items (“A items”); and
- Achieved their goal of 98 percent inventory availability for all of the company's nearly 13,500 stocked items.

“Compiere has provided us with a modern, cost-effective ERP solution that not only delivers visibility and efficiencies across our operations, but also allows us to quickly and efficiently customize and upgrade the system to meet our evolving needs,” said Nobu Osawa, managing director with OSG Europe.