



Rochester Gauges, Inc.

MICROSOFT DYNAMICS ERP CASE STUDY

Equipment Manufacturer Completes Lean Transformation on Microsoft Dynamics AX 2012

Since 1958, Rochester Gauges has manufactured liquid-level gauges for equipment manufacturers. In 2013, they converted their entire United States operation to a Lean manufacturing model, completing a journey that began in 2007 with a single pilot project.

To aid in its transformation to a Lean organization, the company upgraded its existing manufacturing and financial systems from Microsoft Dynamics AX 4.0 to Microsoft Dynamics AX 2012. “We stayed with Microsoft Dynamics AX because AX 2012 has the Lean methodology built in,” explains Bill Battershell, CFO of Rochester Gauges. “AX 2012 enables us to run our company in a truly Lean way—without fighting with our software. It’s the only ERP solution on the market that can do that.”

Rochester deployed the solution with help from Microsoft Gold Certified ERP Partner, MCA Connect. “MCA Connect was instrumental in helping us value-stream our business,” recalls Battershell. “They understand all aspects of process flow, including people, machines, and materials. They know Lean, and they know AX.”

A Lean Transformation

Rochester Gauges’ transformation to a Lean organization began in 2007, with the conversion of a single manufacturing cell. The results of the pilot project were so dramatic—reducing cycle times by almost 90 percent and cutting lead times by 67 percent—that the company was soon planning to extend Lean methodology company-wide.

Best Practices

Battershell notes that the inclusion of the Lean Manufacturing module in Microsoft Dynamics AX 2012 facilitated the transformation. “Because we had already converted our processes to Lean, we were able to deploy AX 2012 almost out of the box, and could leverage the software to develop best practices,” he says. “We still have options; for example, the software allows for different ways to pull material through the plant, but AX provided a framework for our Lean transformation.”



Rochester Gauges manufactures and sells industrial gauges for a variety of industrial, automotive, and aerospace applications. With origins dating back to 1913, the privately held company is based in Dallas, Texas and operates manufacturing facilities in Dallas, Brussels, and Mexico City.

Goals

- Support Lean manufacturing methodology and best practices
- Introduce manufacturing and operational efficiencies
- Provide concrete metrics and insight into operational and financial performance

Industry:

Manufacturing

Customer Size:

310 employees

Number of Users:

100 employees

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Manufacturing Load Leveling

Since deploying Microsoft Dynamics AX 2012 and making the shift to Lean, Rochester Gauges has been able to level production on its many manufacturing lines, so lines produce at a much more efficient, much more consistent rate. “Previously, we experienced somewhat erratic spikes in production at the line level, where we were shipping 20,000 units one day and 250,000 the next,” says Battershell. “The solution, and in particular the scheduling component, has allowed us to level that out. And when you start level-loading your factory, good things happen.”

Lean Accounting

Microsoft Dynamics AX 2012 has also enabled Rochester Gauges to implement Lean Accounting, which CFO Battershell feels provides better insight into the company’s operational and financial performance. Compared to standard cost accounting, the Lean accounting and financial statements more accurately reflect the metrics of the factory. For example, initial reports uncovered weaknesses in scrap rates and on-time deliveries and allowed Rochester to make appropriate adjustments.

Operational Efficiency

In addition to facilitating the transformation to Lean, Microsoft Dynamics AX 2012 has helped Rochester Gauges introduce other process improvements that led to dramatic gains in productivity:

- **Order Processing.** Orders from Rochester’s biggest customers now flow directly into Microsoft Dynamics AX 2012 for production scheduling, through integration with a third-party EDI solution. This reduces lead times and replaces a manual process that required customer service reps to re-key thousands of orders each day.
- **Supply Chain Management.** Rochester Gauges takes advantage of bar-coding capabilities in AX 2012 to track the movements of parts and raw materials on the floor. Replenishments, Kanban tickets, and orders are bar-coded, scanned, and tracked in AX 2012. A runner can simply scan an empty bin to automatically generate a Kanban in AX 2012, which replenishes the bin.

“WE CAN MEASURE THINGS TODAY THAT WE COULDN’T MEASURE BEFORE,” HE SAYS. “WE CAN SEE WHERE THE ISSUES ARE AND TARGET SPECIFIC IMPROVEMENTS. WE CAN REDUCE INVENTORY, INCREASE PRODUCTIVITY, IMPROVE ADHERENCE TO SCHEDULE... WE DID IT WITH ONE LINE; THERE’S NO REASON WE CAN’T DO IT WITH THE ENTIRE FACTORY.”

BILL BATTERSHELL, CFO OF ROCHESTER GAUGES

About MCA Connect

A Gold Certified Partner and 2017 Microsoft Dynamics Services Partner of the Year, MCA Connect helped guide Rochester Gauges in their lean transformation. “MCA Connect’s role in working with the team at Rochester Gauges was to assist in driving the value of lean manufacturing into the day-to-day transactions of their ERP solution,” explains Doug Bulla, Vice President of MCA Connect, LLC. “Our consulting team guided the client from AX 2009 to AX 2012, to take advantage of the specific functionality that enables Lean business improvements. While this was a critical decision for the client, it was absolutely the right thing to do and the client is benefiting from reduced inventories, more efficient manufacturing processing times, and deeper visibility into the business.”