

Luck Stone Corporation

QUICK FACTS:

- > Reduced inventory by 20%
- > Saved hundreds of labor hours through automation of work orders
- > Saved more than \$20,000 on replacing just one part because of inventory management capabilities

The Goal

In the crushed stone industry, production efficiency is everything. The more stone you produce, the more revenue you generate. For this reason, companies in this industry are constantly looking for new ways to increase production capacity without driving up operating costs.

Luck Stone Corporation is an aggregates producer headquartered in Richmond, VA with 19 locations in the southeastern United States. The company was founded by Charles S. Luck, Jr. in 1923 and has since been managed by three generations of the Luck family. Luck Stone is one of the largest providers of crushed stone in the nation and produces stone for use in roads, buildings and concrete.

Luck Stone has more than 2,500 top-level assets critical to the mining process, ranging from the company's mobile fleet and excavation equipment to all of the plant assets required to process stone. These assets must operate at peak performance in order to generate maximum revenue. However, it is difficult to achieve this level of performance because these assets are susceptible to extreme wear and tear, due to the nature of their use.

Luck Stone needed a way to manage these assets more efficiently across all of its plants so it could prevent costly breakdowns and maximize uptime. Such a way to manage assets would enable the company to increase production capacity without investing in additional manpower or equipment, resulting in higher revenue and profitability.

The Bottom Line: Luck Stone needed a way to manage the 2,500 assets in its 19 plants more efficiently so it could increase production capacity while reducing operating costs.

The Solution

Luck Stone had been using MP5 asset management system to automate work orders and schedule preventive maintenance. While MP5 provided a suitable point solution on a plant-by-plant basis for managing the company's assets, Luck Stone wanted to upgrade to a fully Web-architected multi-site solution that would enable the company to manage all 19 of its plants, as well as its third-party contractors, as a single "virtual enterprise."

"We wanted to be able to benefit from the inherent advantages of deploying a single Web-architected solution across our entire enterprise," said Andy Jordan, systems administrator of Luck Stone. "This type of solution would enable us to standardize processes across plants, integrate outside contractors as de facto team members, and give us the visibility we need to reduce inventory and optimize operations across plants."

Luck Stone was also upgrading its Oracle Financials system at the time, so it wanted to upgrade its asset management system at the same time to facilitate integration between the two. After examining solutions from the leading asset management vendors, Luck Stone found that Datastream 7i stood as the only solution that met all of its requirements.

The Bottom Line: Luck Stone sought a Web-architected asset performance management solution so it could manage its 19 locations and independent contractors as a single "virtual enterprise."



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Systems Administrator,
Luck Stone Corporation

Why Datastream 7i?

Luck Stone selected Datastream 7i because it was the only solution that offered the required combination of a Web architecture, broad functionality and a proven track record of customer-upgrade and deployment success.

“While many vendors made claims about their products, [Infor] was able to back it up with actual customer references and testimonials,” Jordan said. “Additionally, we already had an excellent experience through our MP5 deployment so we felt extremely comfortable moving forward with an upgrade to Datastream 7i.”

With Datastream 7i, Luck Stone has been able to realize significant cost savings and uptime improvements by taking a more comprehensive approach toward managing operations. For example, many of Luck Stone's assets have long maintenance intervals that make it easy for workers to miss the appropriate maintenance windows. Datastream 7i automatically tracks these maintenance intervals and issues work orders at the right time and subsequently tracks the progress of the work orders through to completion. The system also sends e-mails to managers when these work orders are issued through its Messenger module. This ensures that they understand the work required so they can allocate the appropriate resources.

Luck Stone also works with many outside vendors such as welders, mechanics and more. Datastream 7i radically simplifies working with these vendors because its Web architecture enables them to be included as part of the “virtual enterprise.” This means the system can issue work orders to these vendors and manage their time and activities just as the system does with internal employees.

Additionally, the Datastream 7i Business Applications Integration Module (BAIM) enables seamless integration with Oracle Financials, providing a single, integrated solution for financial and asset maintenance management.

This integration has enabled Luck Stone to book labor with outside vendors directly into Oracle Financials, so the labor can be automatically charged back to individual plants. This reduces paper processing and human errors.

Finally, the Web architecture of Datastream 7i enables Luck Stone to consolidate management of its two warehouses into a single, shared pool of inventory. This gives workers visibility into the entire pool of inventory, rather than just the inventory in a single warehouse, enabling them to eliminate redundant inventory and reduce costs.

The Bottom Line: Datastream 7i was the only solution to meet all of Luck Stone's requirements: Web-architecture, broad functionality, and a proven track record of deployment success.



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The Results

Since implementing Datastream 7i, Luck Stone has generated significant productivity gains and cost savings. For example, Luck Stone issues more than 500 work orders per month, many of them to outside vendors. Because this process is now automated rather than written out by hand, the company has eliminated hundreds of hours of labor from this process. It can also track the progress of these work orders through every step of the process. This enables managers to analyze cycle times and worker efficiency so they can identify areas for efficiency improvement.

Additionally, the ability to automatically schedule preventive maintenance ensures that assets are maintained properly and enables workers to schedule maintenance during times when it will not disrupt production operations. This capability has radically reduced Luck Stone’s equipment downtime, which means the company can generate more volume per hour and, therefore, more revenue.

Luck Stone has also seen greater efficiencies in managing its spare-parts inventory. By consolidating management of its two warehouses through Datastream 7i, Luck Stone has reduced its inventory by 20 percent without impacting operations. The company says further reductions are planned.

“The inventory management capability has proven especially useful to us,” Jordan said. “A hydraulic pump at one of our plants broke down and no one had the broken part in stock. We thought the manufacturer was going to have to make it and rush deliver it to us. The piece was so critical that it would have shut down our entire plant for 48 hours. With Datastream 7i, we saw that one of our other plants had the spare part on hand and we were back up and running in hours. Datastream 7i gave us the insight that was never before possible, and ended up saving us more than \$20,000 in the process.”

The Datastream 7i integration with Oracle Financials provides end-to-end support for business processes, such as parts requisitions. The company generates the requisitions in Datastream 7i and then imports them into Oracle. These requisitions are then turned into purchase orders. Luck Stone also uses this integration to manage capital for rebuilding projects.

“The integration with our upgraded Oracle Financials went extremely smoothly,” said Jordan. “Our entire deployment went very quickly. [Infor] has a top-notch service organization. They provided us with personal attention and have been responsive to our needs every step of the way.”

In addition, Datastream 7i integrates with Luck Stone’s production data, including its fuel and meter readings, and renders this information as at-a-glance charts and meters so managers can use the data to make better business decisions. “This ability lets our workers view the fuel burn on equipment as well as the plant operating hours, right in Datastream 7i, without having to go to another application. We can then use this information to schedule preventive maintenance.”



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As for future projects, Luck Stone is next looking to adopt Datastream 7i Buy, an advanced module that drives purchasing efficiencies by integrating procurement with asset management functionality.

“Datastream 7i was the right choice for Luck Stone,” Jordan concluded. “This deployment has enabled our company to unify operations under a single, highly functional Asset Performance Management solution. Once you do this, managing 19 different locations becomes much simpler, and the resulting cost savings and efficiency gains are truly impressive.”

The Bottom Line: Datastream 7i has enabled Luck Stone to reduce inventory by 20 percent while radically improving production efficiency and equipment uptime. This translates directly into greater revenue and profitability for the company.



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