

Case Study: Positioning for Growth with Barcode400

ILPEA Industries chooses T.L. Ashford's Barcode400 for its strategic advantage.

*Written by Thomas Stockwell
Monday, 05 April 2010*

In 2001, Holm Industries, based in Scottsburg, Indiana, had become the largest manufacturer of refrigeration gaskets in North America. Over the previous 10 years, the company had consolidated its market share through a series of facility acquisitions in Minnesota, Alabama, and Mexico.

So what does a company bent on profitability through quality manufacturing and sector growth do for an encore? It grows some more!

Consequently, in 2001, Holm Industries merged its operations with ILPEA S.P.A., the largest manufacturer of refrigeration gaskets in Europe. This merger prompted the U.S. organization to be renamed [ILPEA Industries](#) in 2009.

Still headquartered in Scottsburg, ILPEA Industries now produces products for home appliance, commercial refrigeration, industrial, and automotive industries at 10 North American facilities in the U.S. and Mexico, and—through ILPEA S.P.A.—globally in 12 countries at 30 facilities.

But this kind of rapid growth can present any manufacturing organization with unique challenges, and according to IT Manager Bill Abbott, ILPEA's experience with barcoding was no exception.

ILPEA's small IT department consists of just three highly productive professionals: Senior Analyst Charlie Fritz, Network Administrator David Jourden, and IT Manager Bill Abbott. Together, this small and dedicated team coordinates information resources from the 10 North American facilities using an IBM System i running a highly customized version of BPCS ERP software.

ILPEA's history in the use of barcoding software is an important lesson in IT management transformation. It teaches us how rapid corporate growth can prompt IT to re-evaluate current uses of barcoding to transform the organization.

ILPEA's strategic use of [T.L. Ashford's Barcode400](#) software has increased the speed of its production processes, lowered costs by reducing keying of data,



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decreased the number of data entry errors, and added to the company's bottom line *without impacting personnel resources*.

Working Within the Limitations of PC-Based Barcoding

Over the years, ILPEA had implemented barcode labeling printers on various PC systems, with one or more PC systems at each facility. The purpose of these barcode-labeling systems was to print product labels in accordance with the unique specifications of customers: each customer had unique requirements, and each label specification could be different.

The design of these labels was associated with each PC's designer application, each of which required separate license keys. The label designs were maintained locally at each facility, and the label-numbering systems were maintained separately from ILPEA's central database on the System i.

Unfortunately, this distributed model for barcode labeling had a lot of drawbacks. There was a potential for duplication of product serial numbers that could lead to recording errors in the ERP system. There were also potential maintenance issues regarding PC software versioning. And there was the need for unique training associated with different versions of the labeling software. These issues, while minor in scope at first glance, could become real nightmares when something went amiss at one of the 10 facilities.

Meanwhile, ILPEA's own facilities could not readily use those existing distributed label applications to automate *their own* internal tracking of parts and products. Instead, ILPEA's information about products was being hand-keyed into the ERP system, permitting data entry errors to enter the system. As a result, ILPEA itself was limited in how efficiently it could coordinate and monitor its own production processes.

"[The PC-based barcoding software] was a solid product," Abbott says. "But our main goal was to have a company-wide solution that we could use to keep a *consistent* serial number scheme running across *all* offices. Labels could then be moved plant to plant with no fear of duplication."

Coming Up with a Company-wide Strategy

What ILPEA needed, from Abbott's perspective, was a *strategic solution* using barcode labeling for the internal coordination and tracking of products—one that held the potential for a consolidated approach, that could be centrally managed across all facilities, that could eliminate duplication of serial-number labeling, that could reduce data-entry errors, and that could provide a better support profile to ensure accuracy and ease of use.

Of course, ILPEA could, technically, expend the company's resources on networking the distributed PC-based systems. But that kind of solution would also create a much more complex maintenance profile, which their small staff would then be required to support.

Finally, Abbott notes, "We didn't like relying on a PC for an entire plant's labeling capabilities."

Why?

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The Problem with PC-Based Barcode-Labeling Systems

PC barcoding systems come with a lot of baggage. They often require individual attention to sustain operating system levels, to provide user training, to ensure appropriate backup processes, and to minimize security risks. In fact, the more complex the network of PCs become, the more labor-intensive become the issues of maintenance and support. For individual facilities, a PC-based solution might have made sense at one time, but ILPEA had clearly outgrown that kind of solution.

If ILPEA was to continue to evolve and grow, its barcoding functions needed to evolve along with the company's growth. ILPEA needed to enhance the functionality of barcoding in a way that *lowered* the cost of ownership and *increased* its return on investment (ROI). At the same time, ILPEA needed to expand the use and functionality of the barcode printer infrastructure to achieve *new* benefits from the company's growing number of facilities.

Compared to its old PC-based barcode system, ILPEA needed a more advanced kind of solution, one that...

- Scaled as the company evolved to include more facilities
- Could be centrally managed from the corporate headquarters
- Could easily integrate with the central System i ERP system
- Would permit users to quickly and easily customize labels to a customer's product specifications—including compliance specifications—without programming
- Could be easily enhanced with custom code functions by ILPEA's programmer to develop internal shipping and tracking labels

Perhaps the existing PC-based software implementations could be enhanced to achieve these results, but at what cost?

Abbott and his team decided to look at alternatives.

Re-evaluating T.L. Ashford's Barcode400 Software

Back in the days when the company was still called Holm Industries, it had once used [T.L. Ashford's Barcode400](#) software on its System i. But at that stage of the company's evolution, the solution didn't get much attention from IT. Abbott says, "We had it, but we had used it on a much smaller scale."

Now that ILPEA had grown so substantially, Abbott and his staff started looking at Barcode400 again. "We'd heard some good things about it from other companies at conferences and had seen demos. It had a good reputation." In *re-evaluating* their use of Barcode400, they were pleasantly surprised by its power and potential.

What Is Barcode400?

[T.L. Ashford's Barcode400](#) is a native System i software application for the printing of barcode labels and RFID tags. It's designed specifically as an *architectural interface* between the operating system and an

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impressive line of high-function barcode and RFID tag printers manufactured in the IBM and non-IBM printer product lines.

Unlike PC-based systems, Barcode400 has evolved alongside the IBM midrange platforms (System/36, System/38, AS/400, iSeries, System i, and Power Systems) to meet and exceed the requirements of centralized, management-focused barcode label printing and RFID tag printing for manufacturing. In fact, T.L. Ashford was initially founded in 1983 as a response to government suppliers' need to print a LOGMARS barcode symbology on products to be shipped to U.S. government installations and warehouses. During its rapid evolution, it has become the premier IBM i barcode and RFID tag printing solution.

In support of the product, T.L. Ashford has continually enhanced and expanded its Barcode400 solution to meet the increasing needs of organizations that are rapidly evolving in the area of automated data collection (ADC).

Barcode400 provides the following:

- The ability to quickly print labels without programming
- Easy integration through Barcode400's Integration Assistant Utility
- A *Call* facility to permit label-printing directly from existing or custom-built applications
- An easy graphic-import facility to custom design labels
- The ability to create 2D barcodes
- The capability to use HP/AFP PCL printing functions
- An enhanced graphical designer that can be used by an unlimited number of users
- Support for a wide selection of printers
- Compliance label templates
- The capacity to perform remote label design and remote label printing
- Support for RFID tags

Just as important, T.L. Ashford supports a single-tier pricing structure for Barcode400 that offers low-cost affordability to reduce the total cost of ownership (TCO) and significantly increases a company's ROI.

The Strategic Move: Barcode400 Opens the Door to Efficiency

When Abbott and his staff looked at all the advantages of using Barcode400, a world of potential opportunities opened before them.

- **Practical Migration and Rollout:** ILPEA could migrate the majority of its existing barcode printers already at their current facilities. Then, over time, the company could roll out the use of Barcode400 in a controlled and manageable way that fit the way it does business. At the final stage of the rollout, the older PC-based barcode packages could be retired, reducing license key costs and streamlining the operations.
- **Centralization:** The designs of custom barcode labels for ILPEA's customers could be centralized in

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a single library on the company's System i, where IT could vouchsafe the backup and security of the designs.

- **Management:** With unlimited licenses of T.L. Ashford's graphical designer module, remote facilities could continue to design new custom labels as required for new customers by using a standard, highly useable, and easily learned designer utility. No longer would the tribulations of managing PC software-based designer utility versions be an issue: all designers would be using the same integrated label designer. This could reduce costs significantly by eliminating license keys and maintenance contracts. And a centralized training function could bring everyone up to the same level.
- **Security:** The System i's security mechanisms could control access to the entire barcoding process without the cumbersome security requirements of decentralized or networked PC-based systems.
- **Accuracy:** Using a centralized approach to barcoding, the error-prone problems of duplicate labels could be controlled and eliminated.
- **Increase Barcode Functionality:** Most importantly for ILPEA, Barcode400 could open the door to internal automated data collection for the benefit of ILPEA's *own* production processes. Internal product serial numbers, barcoded on each product, could permit the company to use barcode readers to collect information about the production processes and track inventory levels for the company's BPCS ERP system. This new functionality could increase production throughput, reduce errors in recording transactions, and lower overall production costs.

After reviewing the opportunities for increased productivity on a strategic basis, Abbott and his team decided to go with Barcode400. And they haven't looked back.

Reporting Barcode400 Success

ILPEA has been using T.L. Ashford's Barcode400 for four years now. So an obvious question needs to be asked: Would ILPEA recommend [T.L. Ashford's Barcode400](#) to others? Abbott's response is an unqualified yes! "We *would* recommend Barcode400. It has allowed us to streamline some processes and improve the efficiency of our data entry."

And what about the quality of the product itself? Abbott rates T.L. Ashford's product as "very high."

What about the support they've required during implementation? How would Abbott rate T.L. Ashford's team of professional support personnel? "Very high!" said Abbott. "We may have used them a little when we initially set up the system for some technical issues, but generally we've had no further problems. Their support was knowledgeable and quick. We know they're there if we need them, but so far, we've had little need at all."

Says Abbott, "The T.L. Ashford product allows us to do what we want with barcoding... It has enhanced our business and allows us many options on how we label products and track them through our systems...cutting costs, saving time to perform tasks, and improving our efficiency."

For a company that continues to expand and consolidate its market share to become the largest manufacturer in a key market segment, this praise points to a great product by a great team of strategic-thinking IT professionals.