



Electronic component manufacturer becomes leaner and more profitable

Lietkabelis was experiencing difficulties in accurate accounting, inventory planning and establishing future manufacturing capacity. This was having an impact on profit. It implemented Microsoft Dynamics NAV 2013 with Extended pack SQL Server 2008, supplemented with business intelligence tools. It can now engage in accurate inventory, financial and supply chain planning and as a result is optimizing profit.

Goals

- Errors have decreased by a factor of two
- Raw materials and sub-product balances are shown in real time
- Accurate inventory planning
- Automated planning system
- Improvement in product costing and correct pricing
- 20% efficiency increase and 20% decrease in raw material holdings

Industry

Manufacturing

Country or Region

Lithuania

Customer Size

200 employees

Number of Users

20 employees

"It was clear that the base functionality of Microsoft Dynamics NAV covered Lietkabelis' needs. We offered a standard version with core features and it was a wise choice. Microsoft Dynamics NAV is a good platform for the company to confidently meet present and future business challenges."

Anna Stumbrienė, Project Manager, Softera Baltic UAB

Lietkabelis is a Lithuanian manufacturer of electronic and electrical components based in the city of Panevezys. Founded in 1958 it has a long pedigree and in 2010 was awarded a Lithuanian export award in recognition of its economic contribution.

Manual data gathering

The company's internal management processes were largely based on manually gathering data, entering it into Excel spreadsheets and making forecasts and projections based on this information. This included accounting, inventory planning and establishing future manufacturing capacity. It did have an existing ERP system, based on Microsoft Navision 3.01, but it was an old system and the ability to plan and forecast accurately was limited given the company's growth.

The impact was becoming detrimental. For example, as a manufacturer of electrical and electronic equipment the company must plan the purchasing of raw materials. Copper is a key material but its price can fluctuate quite dramatically. If it doesn't plan correctly profit can be easily lost. This led to unnecessarily high inventory levels. Other problems centered on inaccurate data and difficulties with production planning. This was leading to production delays of up to two weeks and inaccurate product cost calculations.

Error reduction

Lietkabelis tasked its partner Softera Baltic with implementing Microsoft Dynamics NAV 2013 with Extended pack SQL Server 2008, supplemented with business intelligence tools. It chose the Financial Management, Sales and Marketing, Purchase, Warehouse, Manufacturing and Inventory modules from Dynamics.

Errors have decreased by a factor of two and raw materials and sub-product balances can be shown in real time, enabling accurate inventory planning and optimal profits. At the same time, an automated planning system allows it to sign contracts with new customers based on accurate time deliveries. Improvement in product costing ensures that it can set the correct prices. Furthermore, the sales department can gain an accurate view into when orders can be fulfilled.

Easy planning, greater profit

Dalia Garbauskiene, Manager, Lietkabelis, said: "Microsoft Dynamics has made a real difference to our planning. Reports and information are accessible to everyone, from finance to sales which makes management and planning so much easier."

"Our raw material balance has decreased by 20 percent and efficiency has increased by 20 percent. The system provides easy access and powerful BI tools which in turn means as a company we are leaner and more profitable."

Next Steps

- [Connect with Microsoft Dynamics](#)
- [Become a Dynamic Business](#)
- [Learn about partner solutions available in the Microsoft Dynamics Marketplace](#)

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