Hexagon Agility experiences Robust Operations with IFS Applications 10

Upgrade to IFS Applications 10 helps Hexagon Agility improve customer experience

Hexagon Agility, the leading global provider of highly-engineered and cost-effective compressed natural gas, liquid natural gas, propane and hydrogen fuel systems and Type 4 composite cylinders for medium- and heavy-duty commercial vehicles, needed to extend their instance of IFS software deeper into the business to improve the customer experience. The company's customers include trucking companies, transit authorities and other large vehicle fleets, who rely on Hexagon Agility for gas, liquid natural gas, propane, and hydrogen fuel systems and Type 4 composite cylinders.

Since implementing IFS Applications 8 in 2014, Hexagon Agility grew by acquisition, organically, and through partnerships with original equipment manufacturers including Cummins. By 2019, Hexagon Agility's information technology leadership realized that due to growth in scope and complexity in the business, its instance of IFS Applications 8 could no longer meet its needs and contracted with **IFS services partner Nayo Technologies** to upgrade to IFS Applications 10 to evolve their instance of the software and reliably deliver world class customer experiences. Nayo supported rollout of IFS Applications 10 at Hexagon Agility's Costa Mesa, Cal. Headquarters and six other locations in the United States, Canada and Norway.

About Hexagon Agility®

Hexagon Agility®, a business of Hexagon Composites, is a leading global provider of clean fuel solutions for medium and heavy-duty commercial vehicles. Its product offerings include natural gas, hydrogen, and battery electric energy storage and delivery systems, Type 4 composite natural gas cylinders, propane and natural gas fuel systems, and propane dispensers. Hexagon Agility offers solutions for a variety of vehicle types. Hexagon Agility has been manufacturing and servicing safe and reliable clean fuel solutions for commercial vehicle fleets and OEMs for more than 20 years, logging billions of miles on the road per year.

www.hexagonagility.com

Platform for investment

"We were motivated to get to IFS Applications 10 because we needed to make some investments in our business and wanted to do it on the latest and greatest platform," Hexagon Agility IT Director Rafael Zavala said. "We didn't just need the software–we needed the training for our workforce. We didn't want to make these investments in training, and integrating third party systems like accounts payable automation, until we were on the current version."

To some extent, the human side of the upgrade was more critical than the technical one, as Zavala found when joining the organization and taking over the instance of IFS Applications 8 in 2017 where the previous version was not implemented as deeply into the organization as it could have been.

"We had the illusion that we were using the system in certain areas of the business, but in reality our processes were manual," Zavala said. "The company had initially set up the software to facilitate standard job shop processes, but at this point we needed greater sophistication, and that requires training. We spent some time ensuring the systems around IFS were workable–imaging systems, scanning solutions, internet speed. But we also wanted to make sure we had the right partnership, which is why we selected Nayo."

Zavala was less concerned about the technical side of the upgrade because many of the unique configurations and modifications Agility had made to IFS Applications 8 were already resident features of IFS Applications 10. That meant Zavala could focus more on advanced functions like inventory backflushing and capacity planning in addition to functionality that was just under-utilized before like pick, pack, and ship.

"We had to start fresh in some areas and introduce the price list functionality within IFS to our users for instance," Zavala said. "We also had to prepare to use other parts of IFS Applications 10 including capacity planning, service and maintenance modules and an AP automation tool."

Capacity planning was towards the top of the list of priorities due to the impact it has on the customer experience, order turn times and profitability.

"We needed to get visibility into work orders as soon as possible instead of holding them up offline and then entering them into IFS at the last minute," Zavala said. "That meant our users needed to become more skillful in this area. We have smart planners who take pride in delivering to the customer, but when orders suddenly materialize that means they and others have to do a lot of expensive overtime and may have to work through the weekend."

Benefits

- Tightened order-to-ship processes for improved customer experience
- Avoidance of overtime work to reduce product cost
- Actual costing data to support more aggressive pricing
- Automatic carryover of configurations and customizations through layered architecture

Two and a half months and no hassles

Despite a number of integrations with third party systems including electronic data interchange (EDI), the upgrade was completed in two and a half months. This initial go-live included order entry, finance, manufacturing and logistics.

"I found it amazing how easy it was to complete the upgrade," Zavala said. "I have worked with Oracle and had just came off of six years working with Microsoft Dynamics AX. We were able to pull over everything that was in production in IFS Applications 8 and get it working in IFS Applications 10. This would have taken much longer with other applications. In the test review phase, normally things are not functioning right away. Vendors may not be in the system, or suppliers may not appear because there are missing terms or reports not working. With this upgrade, 90 percent of everything was working right away. The software already knows about your company structure and everything tied to its attributes migrated over and just worked. Nothing stopped production or product shipping, and any issues were corrected very quickly."

Hexagon Agility was able, on their new instance of IFS Applications 10, to complete their year-end audit and produce 1099s. Then, according to Zavala, he was able to quickly launch new initiatives including rollout of IFS Maintenance, IFS Manufacturing Visualizer and IFS's shop floor workbench functionality.

"Now, IFS Applications is deep enough in the company to engage an entire plant and works for different individuals which gives us good visibility," Zavala said. "The shop floor workbench gives us visibility into what we are making and perhaps more importantly, how much it is costing. That actual cost information is critical because it lets us confidently give our customers the best pricing."

Hexagon Agility is also enjoying the flexibility delivered by IFS's layered application architecture, which enables his team to quickly make changes to the software that automatically migrate over to new versions in the future. Without this layered architecture, modifications to source code are expensive to make and maintain as they must be uplifted to each new version of the software.

"We need to move quickly," Zavala said. "So the ability to expand simple capabilities such as add new user-defined fields or create new screens and workflows is critical. I only have three people in IT and support 500 users."

> "
> Now, IFS Applications is deep enough in the company to engage an entire plant and works for different individuals which gives us good visibility," Zavala said.
> "The shop floor workbench gives us visibility into what we are making and perhaps more importantly, how much it is costing. That actual cost information is critical because it lets us confidently give our customers the best pricing."

Robust operations

To get the most out of capacity planning and streamlined order entry, Hexagon Agility needed IFS Applications 10 to help them see demands placed on their equipment from other sources, primarily maintenance.

"We implemented IFS Maintenance not only to manage preventive maintenance but to give us an even better handle on what was happening on the shop floor," Zavala said. "With IFS Manufacturing Visualizer, we can plan for manufacturing, produce work orders, have a holistic view for uptime or downtime, calculate how long we need paint resources versus fabrication, etc., including visibility for our preventive maintenance teams- the more information you have the better you are able to manage your business."

Once product is manufactured to the customers' requirements, it still needs to get to them. Therefore, Zavala and his team rolled out IFS Warehouse Management functionality to replace manual systems that had been in place.

"I remember walking the floor with the shipping and receiving supervisor and seeing a lot of processes that would not scale anymore," Zavala said. "We had a manual process to keep track of what shipments were going out and what was missing in various incomplete shipments that would later require expedited shipping incurring additional freight costs. Another challenge was improving inventory accuracy by using 3rd party technology from an IFS partner. However, once we started maximizing the standard use of IFS Warehouse Management our needs were met. We really want to exhaust what IFS has to offer before we look to outside products."

Simplicity is good

"This was the most important upgrade of my career, and the one I had the least worry about," Zavala said. A lot of the reason for that is the straightforward architecture of IFS Applications, as well as help from Nayo Technologies.

"When things are not straightforward, that is when you need to get expensive help," Zavala said. "With IFS, if you have strong business leaders that understand the space, you are able to make the necessary configurations independently of anyone else. From creating a new company to a new banking entity to making changes in the way the work cells function inside of IFS, if you understand your company and industry, changes are very simple. We are able to do all we need without having a database administrator on staff."

While some software applications may require extensive spending on systems integration and programming, others according to Zavala are just not fully developed when they are sold, leaving customers primarily with promises for the future.

"We need proven solutions and an application that can do all of the things best practice dictates now."