

# Amway

## Doing More for Less with InduSoft

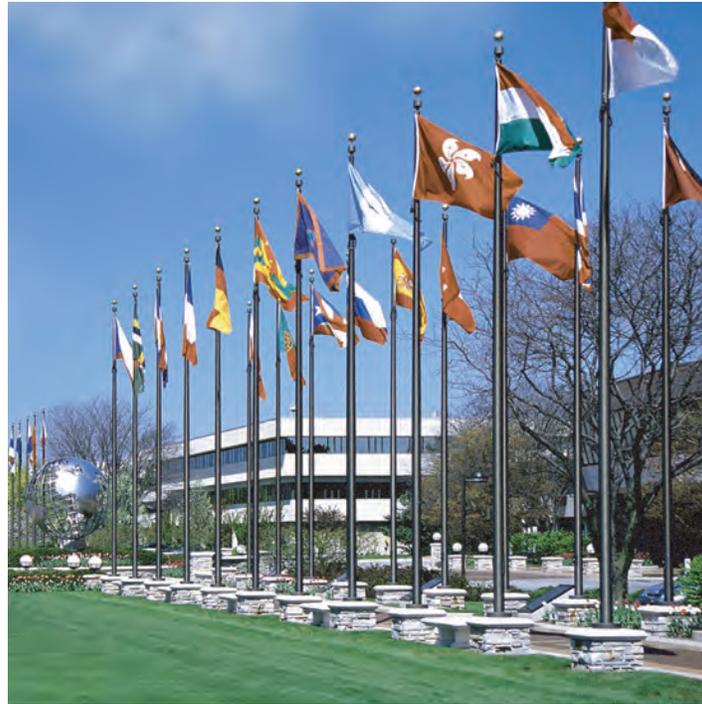
*Do it better and cheaper; the bottom line will take care of itself*

### Background

Quality products at an affordable price. It's the American way. Deliver products to meet market demand, but find a way to do it better and cheaper than your competition. One company has made that the cornerstone of its business model: Amway. Their philosophy is to produce a quality product and deliver it through an inexpensive distribution channel, saving customers millions of dollars every year. Do that and the bottom line will take care of itself. And it's a philosophy that works.

Since its inception in 1959, Amway has gone from a fledgling, two-man partnership to a 180+ billion dollar enterprise that produces everything from household cleaners and detergents to cookware and vitamins. With over 450 products and a global presence, Amway has truly become the quintessential American business. And they attribute their success to the basic philosophy of delivering more for less.

A major factor in keeping costs low is the fact that Amway makes its own containers for each product it



*Amway Headquarters, Ada Michigan.*

sells. And like any manufacturing operation, maximizing both the production and quality of its containers is a critical variable in the low-cost equation. So when executives realized their statistical monitoring and quality control application was no longer meeting their needs, they turned to InduSoft.

### The Problem

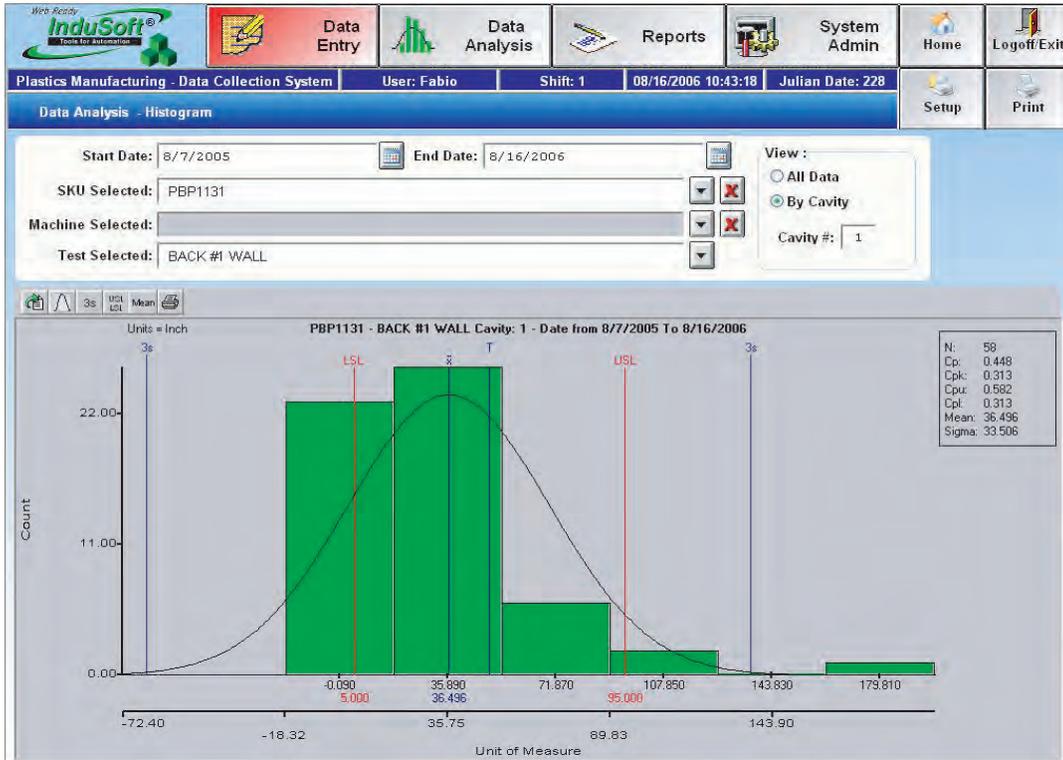
Amway produces plastic container bottles for its household products using a blow-molding system. The process is very cost efficient and enables high production rates, but this cost efficiency is dependent on stringent quality control feedback. For that reason, Amway began using

a complex SAS solution coupled to a Sybase database to monitor and manage quality.

The application monitored operational parameters while allowing operators to enter metric data such



- Unexcelled support – With the simplified architecture and user interface they're assured of minimal downtime when required changes are implemented.
- Effective quality control – Operators are better able to document product quality because testing procedures can change as needed with minimal preplanning.
- Drastic cost savings – Lower licensing fees, quicker implementation, and reduced support costs provide immediate and ongoing savings.



*This page and opposite page:*

*Rich InduSoft graphics enable operators and engineers to easily navigate the interface to enter data and view historical trends.*

**Server Administrator**

**Time Functions**

Client - Date: 08/16/2006    Time: 10:48:54  
 Server - Date: 08/16/2006    Time: 10:48:54

Note: Server Time indicates the clock on the PACT Data Server. This is the time that determines shift changes and time tags on alarms and shift data. Client Time indicates the time of the local Thin Client browser.

**Database Functions**

Database Server: FABIONOTEBOOK/PACT

**Email Settings**

SMTP Server: [ ]  Authentication

POP3 Server: [ ]

User Name: [ ]

Password: [ ]

From: [ ]

TO: [ ]

Send Events

Ctrl Limit     Rel Limit     1st Attempt     2nd Attempt     Others Events

Configuration Ok

Sent Error (code = )

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as bottle neck and thread measurements. At specified times during an operator's shift, measurements were taken of random production samples. This data was then used to establish, track, and plot historical trends. Amway hoped to be able to compare this data among individual operators and production lines to maximize production and minimize waste. But from the beginning there were problems.

POSTTECH, LLC, a systems integration consulting firm, analyzed the production lines and according to Rick Post a POSTTECH, LLC consultant, Amway had three major problems:

“What we discovered was that many of the features designed to save the company money were not being used because it was too complicated to access the features. Also, the line operators needed features the application didn't have. And third, modifying QA test procedures was complicated and expensive.”

The application was handicapped because of *hard-coding* techniques that required highly qualified technical engineers to manually re-program changes. Instead of being able to make changes as they were needed, Amway would have to plan in advance what containers would

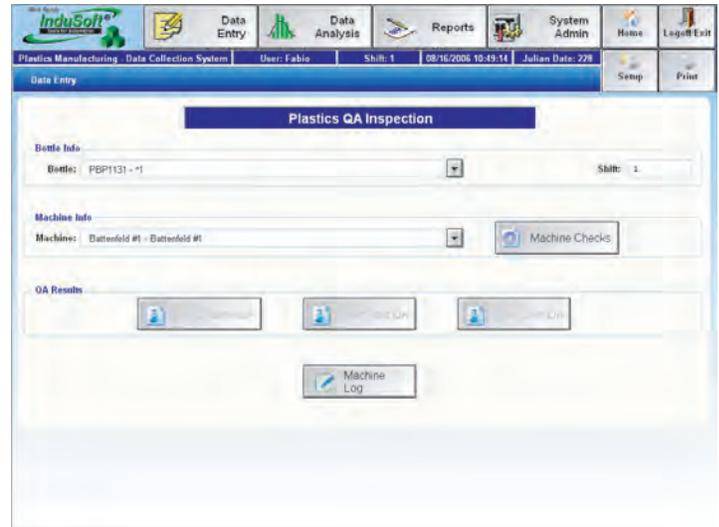
be needed at a given time and what tests would need to be performed by operators. Then when it was time for a planned change of some type, consultants would be brought in to implement new input data fields as well as other new production parameters. Amway simply didn't have the necessary technical resources.

What Amway needed was a real-time quality assurance system that was both easy to use and easy to modify as needed—a problem that was ripe for an InduSoft solution.

### The Solution

POSTTECH, LLC carried out a full assessment of the requirements for both the production plant and the operators. Consultants from the firm performed interviews, reviewed the existing application, and then recommended InduSoft Realtime Performance Management.

Realtime Performance Management from InduSoft is an application template that enables the creation of enterprise-level solutions for manufacturing environments. Using it in concert with InduSoft Web Studio, POSTTECH, LLC consultants were able to replace the previous application in a matter of weeks—and greatly simplify the solution in the process.



The solution allows operators to view a host of operating parameters using a Web browser and the familiar point and click operation that includes threshold warnings and alerts. The solution is every bit as sophisticated as its predecessor—but requires almost no training time or additional expenses, because operators

intuitively understand how to navigate the application.

According to Timothy Scheid, Amway Plastics Plant Engineer, “Now anyone can use our quality assurance solution and we can implement required changes right away.”

In the course of the interview with operators, POSTTECH, LLC also determined that new features were needed, which were not in the original application. These badly needed features were easily incorporated with very little additional development and implementation time. The InduSoft solution also excluded features from the previous application that were not needed and unused. The result is higher productivity and a greater level of quality assurance.

But that's not all. Amway got a better solution and still saved money. Like most complex solutions, the former application required a very expensive annual license fee. The InduSoft approach is simpler. It has less stringent requirements, fewer lines of code, and allows for easier integration.

Systems integrators therefore have the luxury of charging less to provide a solution. In the case of Amway, the savings was significant. Amway saved more than \$40,000.00 in the first year alone, and ongoing, the savings will be even more extensive. That's because InduSoft doesn't have to charge high licensing fees to cover extensive development resources.

Software development and adaptation of new technology are a very real part of the InduSoft offering. But the approach they use for their core technology is greatly simplified compared to other enterprise-level offerings. With the InduSoft-based solutions POSTTECH, LLC provides, companies can expect to pay no annual licensing fees other software companies typically charge. This fact coupled

with reduced licensing costs and no maintenance fees, means that the ongoing savings will be enormous.

### **The Bottom Line**

Amway is now getting reliable data that can help make a real difference in the quality of their products. Operators are also no longer frustrated because the solution is tailored to their needs by design. The management staff is also happy because the reliable data they're receiving is helping to solve production problems and they are better able to document processes—a necessity of plant management.

According to Post "At POSTTECH, LLC, we're excited to provide the world's best software and hardware solutions to our customers. InduSoft's advanced technology and pricing allows us to pass

huge savings on to our customers."

InduSoft and POSTTECH, LLC were able to provide Amway the solution they were seeking: a custom application based on modern technology that they could change as needed. And, thanks to the articulate user interface, only about one hour of training per shift was required to start up the system and have operators online.

Bringing world-class quality and low-cost goods to consumers worldwide is what Amway does, and together, InduSoft and POSTTECH, LLC are working hard to help ensure their continued mission.



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