

# Siam Toyota Manufacturing

Industry: manufacturing

## About:

Siam Toyota Manufacturing, founded by the Toyota Motor Corporation and Siam Cement Group of companies, began assembling automotive engines in Thailand in 1989. It casts engine cylinder blocks, heads and camshafts and also assembles engines for Toyota's local assembly operation, Toyota Motor Thailand (TMT). TMT produces and sells passenger cars such as Corona, Corolla, Camry and small trucks such as Hilux. STM and TMT also provide sourcing services and supply local parts from Thailand to Toyota Motor Corporation in Japan.

## The situation:

Siam Toyota Manufacturing (STM) needed an extended enterprise application solution that could help the manufacturer streamline automotive parts planning and production within its traditionally flow manufacturing environment.

The STM production system mirrors the Toyota Production System, and the basic premise of the system is to maintain a continuous flow of products inside factories in order to adapt to fluctuating changes in demand.

As the team at STM began evaluating enterprise software solutions, their main concerns were with the ability of the software to meet STM's strict production planning and control requirements within its flow manufacturing setting.

"The ERP and manufacturing companies that first mastered the Toyota Production System were almost all headquartered in Japan. Still, not many Western firms understand the Toyota Production System," said Pricha Pantumsinchai, managing director of M-Focus [Verticent's Thailand distributor].

## The solution:

Superimposing the Toyota Production System of flow manufacturing on existing production and inventory control systems in ERP *Plus* required several customizations in order to satisfy STM's needs. However, the flexibility of ERP *Plus* enabled the software system to transition from an ERP solution to a flow solution as required by STM. Also, after reviewing the capabilities of the Manufacturing *Plus* module in ERP *Plus*, STM was satisfied with the solution's built-in inventory management concepts.

ERP *Plus* is a suite of fully integrated e-business, business intelligence, CRM and ERP applications that helps STM better understand and respond to the needs of its customers, suppliers and partners around the world.

Pantumsinchai said, "Toyota Motor Corporation in Japan pioneered the concept of the Toyota Production System many years ago. Today, not only manufacturers, but also ERP solution providers around the world are trying to embrace this innovative system – but they often find the going quite rough. This project with STM is an effort to implement the necessary transition from a traditional ERP system to the revolutionary Toyota Production System."

"We believe we are in the process of developing a very important production system that could propel ERP *Plus* to new heights in Thailand for many years to come," Pantumsinchai said.



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