



HOW TOKYO ELECTRON *solved* A \$51 MILLION PROBLEM

A CASE STUDY
ON A TRANSFORMATIVE
ERP IMPLEMENTATION



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HOW TOKYO ELECTRON SOLVED A \$51 MILLION PROBLEM

How Pemeco helped Tokyo Electron gain control of its multi-million-dollar global parts and service network.

COMPANY

Tokyo Electron Limited is the world's second-largest manufacturer and servicer of semiconductor production equipment, with sales of roughly US\$7.3B annually. The company operates six factories and multiple divisions in Asia, Europe and the United States, and has 11,400 employees.

SITUATION

Tokyo Electron had a \$51 million problem. The company operates six factories and multiple divisions on three continents, each one manufacturing a different product. Each factory had a different ERP system. There was no sharing of engineering or parts information. This made it difficult to track parts inventory levels or parts usage after parts were shipped, and hindered Tokyo Electron's ability to service customers within their SLAs.

Corporate headquarters in Japan decided to standardize on a single ERP platform for all divisions, and gave each region autonomy in choosing their implementation partner. The US Region chose Pemeco Consulting to implement the new ERP at their eight divisions because of our deep expertise, industry knowledge and a proven ERP implementation methodology

SOLUTION

We began by documenting and examining their businesses processes, starting at the top of the organization with an in-depth analysis of business models and strategic objectives, and working our way down to the



department level. We made recommendations on how the company could improve its processes before implementing the ERP system. We then guided the organization through each stage of our proprietary Milestone Deliverables ERP implementation methodology.

RESULTS

Pemeco helped Tokyo Electron balance \$51 million in inventory across 16 divisions and three continents down to the penny. "Thanks to Pemeco, we improved our ability to track parts by a factor of five," says Don Ackerman, Regional IT Manager for Tokyo Electron. "We are much better able to track inventory, track parts usage, and forecast inventory of spare parts for the future."

“Working with Pemeco was an awesome experience. They were extremely knowledgeable and easy to work with. The level of engagement that we got from company president Peter Gross was amazing. We ended up with a system that worked, processes that worked, and efficiencies that were recognized company wide, from engineering to shipping. There wasn't a single area of the company that didn't benefit from Pemeco's input, knowledge and recommendations.”

Don Ackerman, Regional IT Manager

“We had to choose business-savvy, product-knowledgeable consulting partners. As in all our recent implementation projects, the Pemeco team and their 'Milestone Deliverable' philosophy was key to our success.”

Russ Finney, CIO



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ABOUT PEMECO CONSULTING

Learn more at www.pemeco.com and let us know if you're ready for ERP.

Pemeco is an independent consulting firm that specializes in ERP and enterprise technology transformation projects. Your project's success is our mission, and success is what we've routinely delivered since 1978.

We lead our manufacturing, distribution, and retail clients into the next phase of their evolution. We partner with our clients through the entire transformation lifecycle: solutions architecture, system selection, project implementation, and ongoing optimization. We take a holistic approach to your helping you build your future; an approach that covers organizational design, business processes, technologies and data.

Learn more at www.pemeco.com and let us know if you're ready for a successful transformation.

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