



Practical

E-Manufacturing and Supply Chain Management



Gerhard Greeff
Ranjan Ghoshal



Contents

Preface	x
Disclaimer.....	xii
Acknowledgements	xiii
Who is Altech?.....	xiii
1 Introduction to e-manufacturing systems.....	1
Learning objectives.....	1
1.1 Preamble	1
1.2 E-manufacturing definition	2
1.3 Background	2
1.4 E-manufacturing strategy	3
1.5 E-manufacturing challenges	4
1.6 E-manufacturing benefits.....	7
1.7 E-manufacturing and supply chain.....	7
2 History of business automation.....	9
Learning objectives.....	9
2.1 Introduction.....	9
2.2 Evolution of measurement instrumentation.....	10
2.3 Evolution of control systems	11
2.4 Evolution of process visualization systems	14
2.5 The evolution of accounting systems.....	16
2.6 Evolution of computers	18
2.7 Evolution of networks	19
2.8 Evolution of the Internet.....	21
2.9 Development of supply-chain management systems.....	23
2.10 Evolution of manufacturing execution systems	24
3 System hierarchies and components.....	26
Learning objectives.....	26
3.1 Introduction.....	26
3.2 Programmable logic controllers	28
3.3 Distributed control system	30
3.4 SCADA System	32
3.5 DCS and SCADA/PLC comparison	34
3.6 Hybrid control systems	36
3.7 Manufacturing execution systems	37
3.8 Enterprise resource planning systems.....	43
3.9 ERP and SCM relationship	47
3.10 Supply chain management	49

3.11	Operation management systems	53
3.12	Holonic manufacturing system.....	57
3.13	Collaborative manufacturing management systems.....	63
4	Business process design models and concepts used in operations systems.....	66
	Learning objectives	66
4.1	Introduction	66
4.2	Theory of constraints	67
4.3	The supply-chain operation reference model	72
4.4	The ready, execute, process, analyze, coordinate model	76
4.5	Introduction to the IEC (6)1131-3 standard	83
4.6	S88 batch control standard	86
4.7	S95 Enterprise-Control System Integration Standard	92
4.8	Code of Federal Regulation (CFR) Title 21 part 11	110
4.9	Continuous improvement (Kaizèn)	111
5	Business process and system modeling tools and packages.....	112
	Learning objectives	112
5.1	Introduction	112
5.2	Generic BMTs.....	113
5.3	IDEF0	119
5.4	Unified modeling language	123
5.5	Computer-aided software engineering tools.....	130
5.6	ARIS	134
5.7	VISIO	140
5.8	Oracle Designer	144
5.9	Bpwin	145
6	Enterprise planning and supply-chain interaction.....	146
	Learning objectives	146
6.1	Introduction	146
6.2	Logistics planning and optimization	149
6.3	E-fulfillment	153
6.4	Business process optimization	159
6.5	Procurement management.....	166
6.6	Supplier relationship management.....	173
6.7	Customer relationship management	176
6.8	Material returns management	181
7	Product and plant knowledge management	185
	Learning objectives	185
7.1	Introduction	185
7.2	Product life cycle management	198
7.3	Quality management.....	201
7.4	Laboratory information management systems	205
7.5	Document management.....	210

8	Production capability management.....	214
	Learning objectives.....	214
8.1	Introduction.....	214
8.2	Labor management	215
8.3	Equipment management	219
8.4	Material storage and availability management.....	230
8.5	Lean manufacturing.....	241
9	Production scheduling, management and control	243
	Learning objectives.....	243
9.1	Introduction.....	243
9.2	Enterprise scheduling	244
9.3	Finite capacity scheduling	246
9.4	Dispatching production units.....	253
9.5	Resource allocation	257
9.6	Process management.....	261
9.7	Production systems collaboration	268
10	Production data collection and performance analysis.....	270
	Learning objectives.....	270
10.1	Introduction.....	270
10.2	Changing face of manufacturing strategies	271
10.3	Performance analysis strategies.....	274
10.4	Performance analysis systems	281
10.5	Performance analysis concepts.....	286
10.6	Outcome metrics	289
10.7	Product tracking and genealogy	292
10.8	Data collection/acquisition	298
11	Project motivation and benefit quantification	308
	Learning objectives.....	308
11.1	Introduction.....	308
11.2	Project portfolio	308
11.3	Project motivation	309
11.4	Potential benefits	310
11.5	Benefits of IT architecture components	310
11.6	Benefit quantification	311
11.7	Benefits and architectural levels	313
11.8	Extended benefit analysis.....	314
11.9	Benefits of an extended business case	315
11.10	Benefit examples	315
11.11	Measurement examples	319
12	System integration models and concepts	322
	Learning objectives.....	322
12.1	Purpose of integration and interfacing	322
12.2	The gap between ERP and PMC.....	324

12.3	ERP–MES integration	326
12.4	MES within an enterprise – data flow diagram	329
12.5	Integration architectures evolution	330
12.6	Eight systems architecture alternatives	331
12.7	Integration data identification	337
12.8	Common communication protocol.....	338
13	Product and vendor evaluation methodology	342
	Learning objectives	342
13.1	Software vendor functional scope	342
13.2	Software selection trends.....	343
13.3	Product landscape	347
13.4	Solution design assumptions	348
13.5	Proposed approach.....	349
13.6	Design revisit	355
13.7	System functionality and architecture design	355
13.8	Evaluation and selection teams	355
13.9	Visits to reference sites (if required)	356
13.10	Vendor survey form example	356
14	Software project management	358
	Learning objectives	358
14.1	Development life cycle	358
14.2	Risk minimization	358
14.3	Solution design requirements.....	359
14.4	Software development life cycle.....	365
14.5	Life cycle components	367
14.6	Critical chain project management	376
15	Change management	378
	Learning objectives	378
15.1	Organizational readiness	378
15.2	Reason for change.....	381
15.3	Strategies for change	383
15.4	Requirements for effective change	389
15.5	Change during system implementation	392
15.6	The three phases of change adoption.....	400
16	Conclusion	403
	Learning objectives	403
16.1	Manufacturing future	403
16.2	Establishing leadership	403
16.3	Success dependencies	404
16.4	Synchronization vision	406
	Appendix A: Practical exercises	408

Appendix B: Model answers	428
Appendix C: Glossary of terms	439
Appendix D: Bibliography	445
Index.....	449