

SupplyDemandChain

Intelligence for the Sourcing, Procurement, Operations and Demand Management Leader *Executive*

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Mr. Neil Wilkin
President & CEO
Optical Cable Corporation
5290 Concourse Drive
Roanoke, VA 24018

Dear Mr. Wilkin:

Enclosed, please find copies of the October/November 2006 issue of *Supply & Demand Chain Executive*, with the article "Building a Scalable Business," spotlighting Optical Cable's project with SYSPRO, starting on page 14.

Thank you for your assistance in preparing this article, and I hope that have the opportunity to enjoy the rest of this issue of the magazine.

Sincerely,



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Solutions-based Intelligence for Supply Chain ROI

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Pictured: Keith Shay (left), president, and Mark Plechaty (right), CEO, Ware-Pak

Survival of the Fittest

A warehouse management system helps publishing industry 3PL provider Ware-Pak turn a new page

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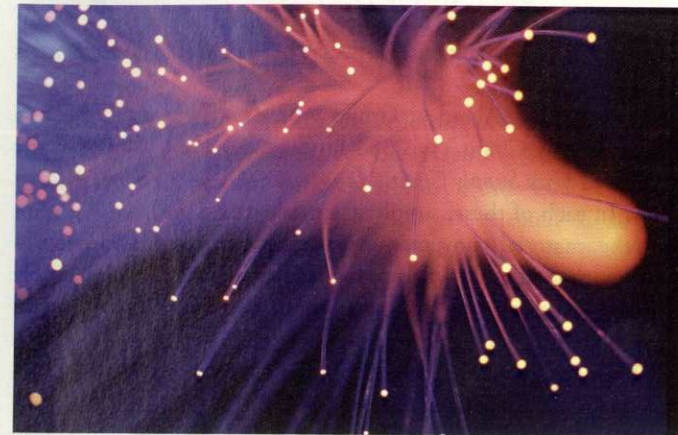
Building a Scalable Business

Optical Cable focused on its long-term vision when it deployed a new enterprise resource planning system

By Editorial Staff

Optical Cable Corporation is the second largest manufacturer of fiber optic cables for the enterprise market in North America, selling its products worldwide in over 70 countries with tens of thousands of end-users. Uses for Optical Cable's products address most short- to moderate-distance fiber optic communication applications, with products being used for commercial and campus installations to customized products for specialty applications and harsh environments, and almost everything in between.

Over the years, Optical Cable has invested millions of dollars in engineering, product development and testing of the designs and production methods of its special, tight-buffered fiber optic cables. As a result, Optical Cable has created a product offering that not only has a reputation for high reliability and outstanding performance characteristics, but also is broader and more diverse than its competitors. The company manufactures its products to exacting quality standards at its ISO 9001: 2000 registered and MIL-STD-790F certified facility in Roanoke, Va. The company's MIL-STD-790F certification comes from the U.S. Department of Defense.



of new enterprise software is an essential component to the execution of our strategy. Further, as a publicly traded company, we required software sophisticated enough to allow us to comply with our reporting obligations to the Securities and Exchange Commission, as well as compliance with the new Sarbanes-Oxley requirements."

An extensive search led Optical Cable to select SYSPRO Enterprise Software from SYSPRO USA in Costa Mesa, Calif. Because SYSPRO software is modular, Optical Cable felt it could tailor the specific functionality needed from the variety of interactive manufacturing, accounting and distribution modules in the SYSPRO offering. Most importantly, the SYSPRO software was scalable and could easily grow with the company and help it to realize its long-term vision. Another big plus, the software supported bar coding integration.

John Ferguson, Optical Cable's vice president and chief information officer, says: "SYSPRO is facilitating the business strategies we are pursuing. Optical Cable is using the SYSPRO software feature set to drive its business model."

Focusing on the Customer

Ferguson makes it clear that Optical Cable operates in a very competitive marketplace with Optical Cable's business model requiring not only product diversity and breadth, but also outstanding customer service. And the software selected by Optical Cable needed to meet those needs. "Optical Cable's plan is to use SYSPRO to enhance customer response time and customer service," he says. "Also, Optical Cable will do things for our customers that competitors won't do, such as build products to customer specifications."


Toward this end, Optical Cable employs the SYSPRO Product Configurator, enabling order takers to custom configure cables over

the phone at the time an order is taken. The configurator ascertains that all order criteria are captured. After selecting the design and type of cable, the order taker is automatically presented with a list of options. Because the configurator is rules-based, the order taker cannot make incompatible choices. Component dependencies are based on options, and selections are dependent on other selections.

Optical Cable also utilizes a highly sophisticated scanning system for location tracking and transaction entry, replacing labor-intensive record keeping and, at the same time, providing managers with real-time job tracking data to facilitate accurate decision-making. Workers use handheld and base scanners to track inventory from the time raw materials are received through all phases of manufacturing and distribution. The scanners utilize SYSPRO e.net components to process data to the SYSPRO ERP system in real time. As a result, operators can move around the factory floor unencumbered and capture transactions as they occur, enabling the SYSPRO system to track inventory in real-time. In this manner, management is

manufacturing productivity and efficiency. Because the APS module dynamically links to all relevant SYSPRO modules, it also speeds paperwork processing.

The APS module will give a real-time "snapshot" of the manufacturing floor at any time, permitting Optical Cable to view and manipulate planned factory workloads within specified planning periods. In this manner, the company can accommodate rush orders, eliminate bottlenecks and balance workloads against the capacities of each cell within each manufacturing work center.

Not a company to rest on its laurels, Optical Cable is continually seeking other ways to enhance customer service. Toward this end, the company will soon be utilizing SYSPRO Customer Relationship Management (CRM) software. "This is just another way we hope to enhance customer service and improve customer support," says Ferguson. 

Resources

- Optical Cable Corporation www.occfiber.com
- SYSPRO USA www.syspro.com

BEST PRACTICES

- **Focus on the customer:** Use an Advanced Planning and Scheduling solution to speed order turnaround, helping to ensure superior customer service.
- **Leverage visibility:** Using the planning tool to gain a real-time "snapshot" of the manufacturing floor, allowing for the manipulation of factory workloads to accommodate rush orders and eliminate bottlenecks.
- **Link the factory floor to the top floor:** Connect scanners used in warehouse and plant operations to higher-level business systems to ensure senior executives have the up-to-date information they need to make proper analyses.

always presented with an up-to-date record of inventory and work-in-progress. Ferguson says this process is another key way that the SYSPRO software provides the foundation for superior information management. "It gives us the data we need to perform better business analysis."

Gaining a Real-time "Snapshot"

SYSPRO Advanced Planning and Scheduling (APS), when implemented, will also help Optical Cable to provide superior customer service by speeding order turnaround. The APS module will give Optical the functionality to control and monitor its factory, optimize its resources and ultimately increase its

COMPANY

Roanoke, Va.-based Optical Cable Corporation is a leading manufacturer of fiber optic cables primarily sold into the enterprise market, and the primary manufacturer of military ground tactical fiber optic cables for the U.S. military. The publicly traded company was founded in 1983 and pioneered the design and production of fiber optic cables for the most demanding military field applications.

Creating a Scalable Business

In recent years, Optical Cable realized that one necessary component to facilitating its planned long-term growth was the need to install a comprehensive enterprise resource planning (ERP) software solution. According to Neil Wilkin, president and CEO of Optical Cable: "Our long-term growth strategy required investments in upgrades to our systems, production lines, business processes and management personnel. These upgrades are essential to create the scalable business model required to facilitate our planned growth and to continually improve the outstanding customer service that we provide our customers. The installation

Strategic

strat-egic [struh-tee-jik] - adjective
pertaining to a plan, method, or series of maneuvers or stratagems for obtaining a specific goal or result: a strategy for getting ahead in the world.

Performance

per-formance [per-fawr-muhns] - noun
the manner in which or the efficiency with which something reacts or fulfills its intended purpose.

Telemetry

te-lem-e-try [tuh-lem-i-tree] - noun
the science and technology of automatic measurement and transmission of data from remote sources to receiving stations for recording and analysis.

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