



UKG for Manufacturing



Komatsu Leverages UKG Workforce Management to Improve Operational Performance Worldwide

Komatsu Ltd. is a worldwide leader in high-productivity mining solutions. Through its market-leading surface and underground business units, Komatsu manufactures and markets original equipment and aftermarket parts and services for the mining industries. Komatsu's products and related services are used extensively for the mining of coal, copper, iron ore, oil sands, gold, and other mineral resources. To assist customers, Komatsu facilities and equipment service centers span six continents and more than 20 countries.

Customer Snapshot

Mining equipment

47,000+ employees

UKG presence in China, United States, Canada, Poland, United Kingdom, Australia, and South Africa

Solution:

UKG Workforce Central™

Key Benefits

Globally consistent labor reporting

Enhanced labor visibility

Receives weekly global performance metrics

Comparison of labor performance by site



Challenges

- Having no standard time and attendance and shop floor labor data collection tool across the company made labor analysis difficult
- With localized rules and processes, gaining a comparative or global picture of performance was challenging
- Lack of visibility into detailed labor data to compare actual time to standard made operational improvements elusive

Solution

A global UKG™ workforce management solution with easy access to detailed labor data for informed decision making that helps improve operational performance and productivity.

Benefits

- Globally consistent labor reporting that reveals production time and costs by business unit, location, cost center, and work center
- Labor visibility allows comparisons of actual hours to the standard, supporting continuous improvement and influencing pricing decisions to increase profitability
- Weekly global performance metrics on productivity, efficiency, utilization, and nonproductive time guide operational performance improvements
- Comparison of labor performance by site supports performance improvements and production decisions

"Our goal is to collect actual time and compare it to standards, which leads to more accurate routing and standard costs. This will help increase profitability, because we have a better handle on our cost structure. Ultimately, this enables us to set our selling prices to obtain the margin we need."

Lynne Schreibler
Global UKG Manager, Komatsu

The story

Komatsu had no standard time and attendance and labor collection tool for its facilities around the world. Locations used a mix of decentralized manual and legacy automated solutions. With time and attendance practices localized, the company wanted a global solution that could provide consistent processes across the organization and consistent interfaces with its HR system.

Komatsu's core values focus on implementing programs and initiatives that will make the company more efficient and effective. With this in mind — and the need for a global, multi-language solution — Komatsu selected a UKG automated workforce management solution.

The result has been consistent reporting of workforce data from around the globe, allowing management to utilize metrics to improve business performance.

Global standard for workforce management

Komatsu has made its UKG solution the global standard for timekeeping, attendance, and shop floor labor tracking for its hourly workforce of shop floor union, non-union, and contractors at its manufacturing and service centers, as well as field services personnel at locations around the world.

“Each time and attendance implementation is localized to account for union and statutory requirements of the country or area,” shares Lynne Schreiber, Global UKG Manager for Komatsu. The UKG solution has the flexibility to accommodate these local variances.

Labor data visibility supports continuous improvement

“Our directive is to create a globally consistent labor reporting process supported by UKG Workforce Activities and our SAP system, which are tightly integrated,” says Chris Wright, Komatsu's project manager for UKG labor. Every hour, SAP sends open confirmations — each representing an order, part number, and operation — to Komatsu's UKG solution.

Using bar code scanners attached to UKG timeclocks and PCs, shop floor employees post their hours and the quantity completed against a specific confirmation. Komatsu tracks the time spent working on production orders and captures in which business unit, location, cost center, and work center the work was performed. This information is fed back to SAP every 15 minutes.

Employees at the service centers capture actual hours worked on a service order, which is posted against the order in SAP, helping increase accuracy in billable hours. Time spent on plant maintenance is measured as well.

“With the labor data collected in UKG, we now compare actual hours to the standard, which we weren't able to do before because we didn't have visibility to the actuals,” Schreiber explains. This information is used to support continuous improvement.

For example, Komatsu has a standard for time needed to prepare a part for the work. “By looking at the history of the setup time and comparing it to the standard, management can now see where they need to make adjustments,” notes Wright. performance.

Utilizing labor data for informed decision making

Global performance metrics — productivity, efficiency, utilization, and idle or nonproductive time — are reported weekly. Finance staff pulls the weekly report, posts it to the intranet, and emails it to operations management, helping them determine how to improve operational performance.

Shop floor managers view real-time reports to see which employees are working on each production order. This real-time visibility supports day-to-day operational decision making. “We are able to make intelligent business decisions by evaluating our labor data,” says Wright.

For example, Komatsu uses its UKG solution to measure all indirect time (i.e., time not spent on direct production). Employees allocate their time to specific job codes, such as waiting for a crane to become available. At the end of the year, a report shows how much time was spent on each indirect

activity. If an excessive amount of time was spent waiting for a crane, the data can help justify purchasing an additional crane for the site.

Mining data to improve performance

“We can now compare performance from site to site, which supports production decisions,” says Wright. If it takes longer to build a part at one site than another, by analyzing data the company can determine why and make changes to improve performance or elect to build the part at the more efficient site.

Komatsu’s UKG solution has become a critical financial and operational tool. “Our goal is to collect actual time and compare it to standards, which leads to more accurate routing and standard costs,” notes Schreiber. “This will help increase profitability, because we have a better handle on our cost structure. Ultimately, this enables us to set our selling prices to obtain the margin we need.”

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Our purpose is people

Built from a merger that created one of the largest global cloud companies, UKG (Ultimate Kronos Group) is a leading provider of HCM, payroll, HR service delivery, and workforce management solutions that help organizations drive better business outcomes, improve HR effectiveness, and make work a more connected experience for everyone.