



News

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Cimulus finds shop-floor solutions with RFID tags

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ANN ARBOR, Mich., Aug. 2, 2004 - The information-technology revolution changed the way front offices in industry do business. But Ann Arbor-based **Cimulus Inc.** officials look to the shop floor to change IT.

"Manufacturing companies in particular often need customized solutions," said Dennis Carmichael, president and chief executive officer of Cimulus.

"While it's reasonable for a company to change its invoicing or bill payment procedure to fit into a prepackaged solution, the shop floor is a different story. Each manufacturer has its own process, and that's likely a big part of their competitive advantage," said Carmichael.

"So, when they want to streamline their operations by using IT, they want a solution that works the way they do, not the other way around."

Cimulus Inc. has come up with a number of ways to apply the technology, including using barcodes and radio-frequency-identification (RFID) tags to eliminate time-consuming manual tasks in manufacturing – such as handwritten accounts of inventory or production measurements.

Cimulus, a privately held firm, is expecting a 25 to 30 percent jump in revenues this year, mostly on the strength of a product called **DataCenter**, which helps plant managers manage operations.

The company, which employs 11 people, was co-founded by Carmichael and Wes Faler in 1992. The partners met while attending GMI, now Kettering University, in Flint.

Its customer base is primarily technical and industrial businesses including manufacturers with annual revenues between \$5 million and \$150 million.

"Most (90 percent) of our customers are located in the Ann Arbor and greater Detroit areas," Carmichael explained.

"They have a really outstanding understanding of manufacturing," said customer Jim Rodgers, information systems manager at **Edwards Brothers** in Ann Arbor.

"Dennis (Carmichael) is an electronics engineer. He knew from the top down what we needed and had the technical expertise to dig in."

Fitting the solution to a company's needs is critical, Rodgers said.

"Our experience is that solutions on the global level don't work. If the solution can be tailored down to specific needs, and you can do it cheap enough, it is always good to do it that way."

The technology helps industrial customers replace the traditional mountain of paperwork devoted to keep track of production and orders with data systems that can manage the information to help run businesses better.

Handwritten data such as the number of parts, amount of scrapped material or serial numbers on products can be entered electronically and tracked with a wireless radio system.

Cimulus is also working on a trial program to replace written notes and white-board sketches with electronic tablets that relay the information to a computer.

Using barcodes and tailored computer software to replace manual tasks has an unlimited potential according to Cimulus officials.

For instance, Madison Heights-based **Diversity Products LLC** wireless barcode that allowed Diversity workers to know instantly where each container was along its shipping routes.

That eliminated extra storage fees and the need to keep extra containers on hand. After the initial investment in the system Diversity expects to lower packaging costs by up to 30 percent.

Diversity management said that Cimulus was able to tailor solutions to the shipping firm's needs, rather than offering a one-size-fits-all template.

"They listened first," said David Brown, chief operating officer and chief information officer for Diversity.

The barcodes utilize RFID. "There's a lot of buzz about it, and the technology in general has the potential to become one of the defining technologies of the decade," said Carmichael.

Cimulus' **DataCenter**, is expected to fuel half its growth in the company this year and as much as 80 percent in the next few years. The demand for **DataCenter** may turn into a spinoff division of Cimulus.



Cimulus's DataCenter helps plant managers manage operations.