

Norco Industries Pursues AI- First Approach as RV Market Heats Up





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Norco Industries, founded in 1964, is a privately-owned company headquartered in Elkhart, Indiana, with additional facilities in Compton, California. The company specializes in manufacturing vehicle structural parts for recreational vehicle (RV), industrial, and automotive sectors. Their product range includes seating systems, slideouts, trailer frames, chassis components, brake systems, and lifting equipment. Norco also provides various services such as engineering and design, testing, assembly, welding, and warehousing.

Norco Industries operates several brands under its umbrella, including ADNIK for seating systems, BAL RV Products Group for RV components, and FLO-DYNAMICS for automotive maintenance equipment. They also offer custom industrial lifting solutions through Freedom Industrial Hydraulics and provide E-coat and powder coat finishing services via NORCOAT.

The Challenge

Norco leadership sought a way to bring AI into the organization, improve the experience of both employees and customers, and scale up and down on demand, without having to hire more staff.

In a highly cyclical industry a scalable solution can create significant capacity and help alleviate the traditional “Hire and Fire” cycle.

Norco deeply cares about their employees and community and viewed the use of Kognitos across the organization as a way to avoid the typical disruption of the market cycle, and smooth out both operations and cash-flows over time.

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NORCO NEEDED A SOLUTION THAT:

01

AVOIDED DISRUPTION OF THEIR MARKET CYCLE

02

SMOOTHED OUT BOTH OPERATIONS AND CASH-FLOWS OVER TIME

03

WOULD NOT REQUIRE SIGNIFICANT IT EFFORT OR EXTENSIVE BUSINESS TRAINING



Our solution

MULTI-PROCESS AUTOMATION

Norco sought to drive not only efficiency throughout the organization, but also provide insights to management on the processes both on the factory floor and in the back-office. They laid out a three year plan with Kognitos to transform the organization starting with Finance, before progressing to HR, Sales, and Production (Engineering).

Kognitos AI initially automated four processes within Norco's Accounts Receivable department. Legacy, purely logical systems like RPA were not suitable due to the variability of the documents and the amount of exceptions that could occur from different customers. Kognitos's exception handling enabled Norco's AR SMEs, many who have worked with each customer for more than a decade, to work collaboratively with AI to handle each exception and teach the system how to handle that process.

One example from Accounts Receivable: Norco set up an inbox for Kognitos to receive incoming pack slips. Kognitos then splits the PDFs (often 10 pages or more) into individual invoices in Epicor based on the business logic and rules for each customer. Logic could include tax from different states, freight charges based on location, etc. These inputs are then validated against the stored knowledge in Epicor. If any mismatches occur or if Kognitos is not able to find required information, Kognitos flags the exception to the business users in the AR department who previously handled the processes manually. The business user is able to converse with Kognitos, teaching the workflow how to rectify the situation and handle similar situations in the future.

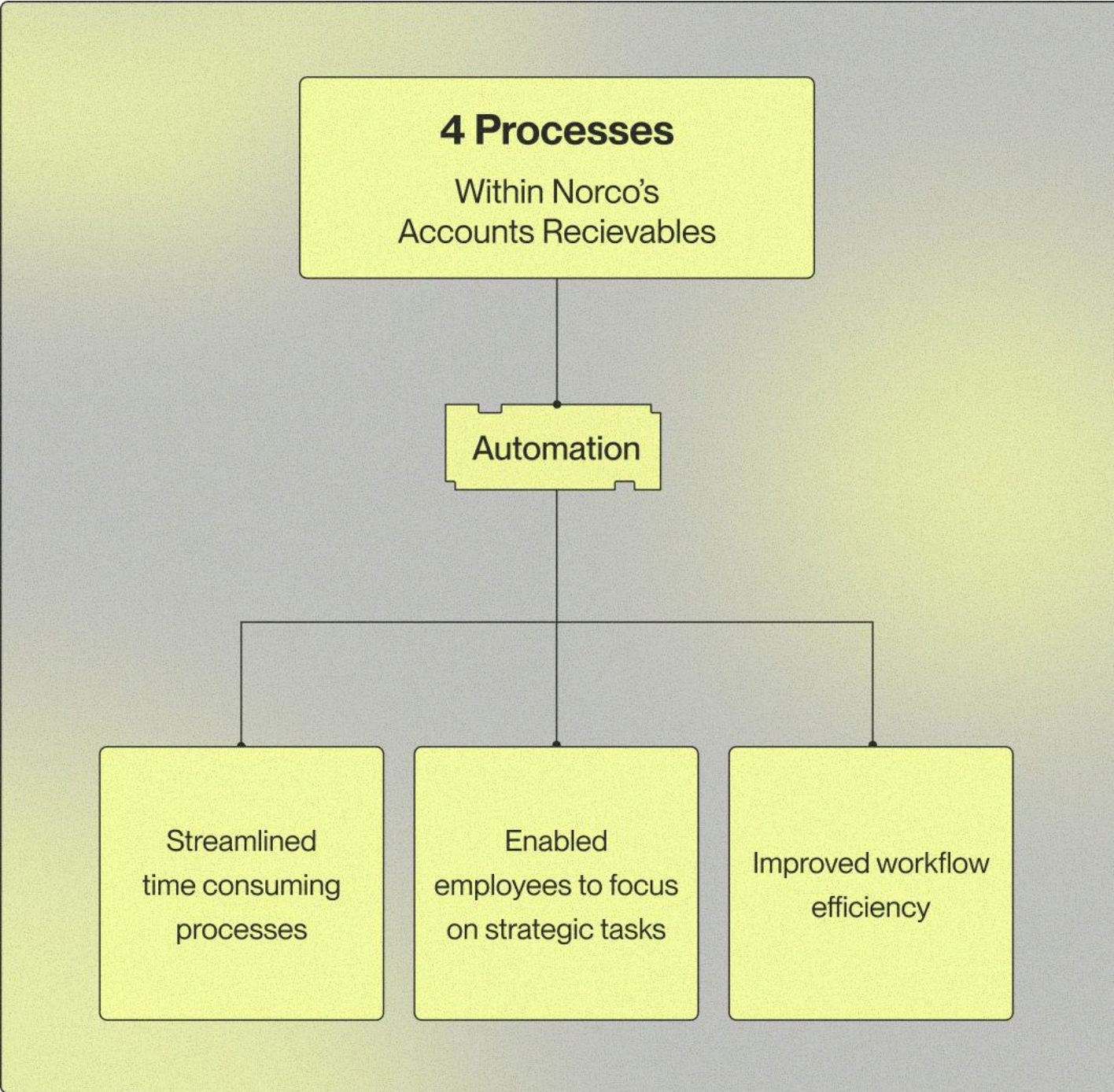
Our solution

MULTI-PROCESS AUTOMATION

In addition to AR, Norco has embarked on a wider use of AI, including:

- Transcribing voice communication with prospective factory floor employees
- Automatic scheduling of interviews for recruits
- Entering sales orders into an ERP system
- Creating and emailing safety audit reports to customers

KOGNITOS' AUTOMATION AND OUTCOMES



Impact

SUCCESS METRICS

SCALABLE SOLUTIONS	Unprecedented Benefits, Exceptional Growth
	Optimization of maintenance schedules
	Significant increase in production output

Norco’s AI- first approach is driving results across the organization. The automation of AR processes speeds up collections, reducing “Accounts Receivable in Days”, and improves working capital. In addition, the use of Kognitos has identified different areas for process improvement as repeat exceptions are investigated and addressed. Norco’s HR team now can focus more on individual candidates, rather than spending their timecycles engaged in administrative tasks and scheduling. This has a big impact on an organization with over 700 factory workers spread out across various locations. With a scalable AI solution put in place, Norco is now prepared to capture more revenue as the RV market heats back up, without having to hire additional people to meet demand. More agile, with lower back office costs, Norco can drive growth profitably while boosting productivity and maintaining the family culture that has driven its success.

Norco’s business model involves high variability in the product manufacturing whereby engineers cater to customer’s requests and design the product or make revisions prior to the manufacturing cycle. The adoption of AI- driven technology brings consistency to engineering-driven manufacturing allowing them to explore the unprecedented benefits like reduction in machine downtime, increase in production output, and optimization of maintenance schedules. “Nobody else is doing it like this,” commented Norco Industries CIO, Chris Richner, onfor how the new technology is empowering his business. “Kognitos is not UiPath, they’re not RPA—they’re a lot more than that.”

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