10 Things Great Manufacturers *Won't* Do

By Daniel Carranco
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Global Shop
SOLUTIONS
ERP SOFTWARE
We simplify your manufacturing.™

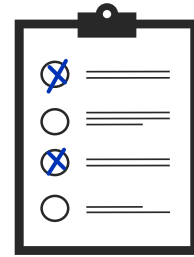## RUNNING A SUCCESSFUL BUSINESS REQUIRES INTENSE FOCUS ON DOING THE RIGHT THINGS AT THE RIGHT TIME.

This is especially true for manufacturers, where customers demand quality products delivered on time every time often with short lead times. What you don't do can be just as important as what you do, sometimes even more so. One thing great manufacturers do is take note of what gets in the way of their success and stop doing it. Here are 10 things the best manufacturers try not to do.

1 Rely on manual processes.

Manual processes act like anchors on your business, slowing down production times and increasing the chances for error. Important data gets lost or misfiled. Work order entry and job setup takes longer. Labor costs climb. Not that long ago, you couldn't get by without manual spreadsheets and the like, but just look at some of the advantages of automating your processes:

- Reduce labor costs with BOM Compare

- Eliminate waste by automating inventory processes

- Reduce turnaround times with CAD Interface and Nesting Interface software

- Future-proof your business by improving your ability to forecast industry trends

With the Internet of Things (IoT) taking automation to a whole new level, you can't afford not to invest in it.

MANUAL PROCESSES ACT LIKE ANCHORS ON YOUR BUSINESS.
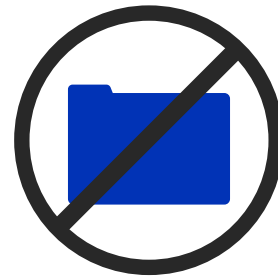
> " We used to manually trace everything throughout the plant. Now, Global Shop Solutions does it automatically. It gives us our costs quickly and efficiently, so that we can monitor runs when the material costs fluctuate rapidly, which they often do in today's markets.
>
> *Bo Adams, Vice President at C.E. Smith Company, Inc.*

2 Use paper on the shop floor.

Going [paperless on the shop floor](#) used to be wishful thinking for manufacturers. With GS Mobile, it's a reality that can transform your business, starting with materials management. Moving materials and parts throughout the shop floor is faster and easier than ever. You can produce reliable count verifications and updates, run cycle counts in real-time, and make on-the-fly adjustments to part and lot-bin counts – all without printing a single sheet of paper.

GOING PAPERLESS ON THE SHOP FLOOR CAN TRANSFORM YOUR BUSINESS.

> "With Global Shop Solutions, operators electronically log on and off jobs. Work orders, routers and dispatch lists are automatically delivered to each workstation. Drawings, job specs, and other documents are accessed through <u>Document Control</u>. We now have a wealth of information on the shop floor without a wealth of paperwork following it around. Everyone loves it!

Chad Wengerd, IT Manager at Walnut Creek Planing

3 Guess at job costs.

Guessing at job costing is like hoping there's water in the pool when you dive in. If you're wrong, the outcome can be painful. With Job Costing Accounting Software you can:

- Intimately know the cost breakdown for freight, labor, overhead, outside services, other, and material
- Get a time-lapse view of every part that has passed through your shop floor
- View old and new quantities, current transactions, and the cost for each
- Review complete up-to-date histories of finished goods costing at any time

JOB COSTING ACCOUNTING SOFTWARE TAKES THE GUESSING OUT OF JOB COSTING.

" With Global Shop Solutions, we can track and dig through data to easily find our true costs. This enables us to see when we're not making the right margins and adjust our pricing as needed.

Dave Dahl, Plant Manager at Alexandria Pro-Fab Co., Inc.

"

4 Put up with sloppy inventory management.

Few things are more frustrating than shipping late because materials aren't on hand. Automating your inventory process lets you know what you have, how much, and where it is so you never run short of parts. Some of the many benefits include:

- Wireless data entry and barcode scanning

- Seamless integration of your material ordering system with inventory and usage

- Vendor material tracking to manage BOM buildup costs

- Up-to-date performance ratings on vendors, including pricing and on-time delivery rates

- Physical inventory counts in hours rather than days or weeks

AUTOMATING YOUR INVENTORY PROCESS LETS YOU KNOW WHAT YOU HAVE, HOW MUCH, AND WHERE IT IS.

> With Global Shop Solutions Inventory software, we know in real time where our inventory is – including the exact location of over 4,000 items across three separate manufacturing facilities. If a customer calls for a case of 20, we locate it in the system, pull it off the shelf, slap a label on, and ship it. It's that simple.
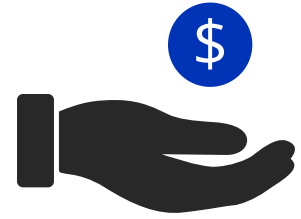
Jay Jolly, Co-Owner at Advanced Plastiform

5 Lose control of labor costs.

Labor costs are typically one of the biggest items on the P&L. They are also one of the hardest to track with precision. Time on the job is inaccurately recorded. Overtime hours are poorly managed. Separating direct from indirect labor can be difficult. When you automate, these ongoing problems disappear.

- Workers electronically log onto jobs and job sequences without leaving their work stations
- EDI software eliminates the need for manual data entry in many areas
- Customizable dashboards let you analyze real-time data on the shop floor
- Barcoded work orders let you know what machinists are doing as they are doing it
- Direct and indirect labor can be tracked with remarkable precision

AUTOMATION IMPROVES THE ABILITY TO CONTROL LABOR COSTS.

> " The time and attendance function in Global Shop Solutions is the best I've ever seen. From the dashboard in my office I can tell when a person's clocked in and what jobs they've been working on throughout the day. I can also see any unlogged time. "
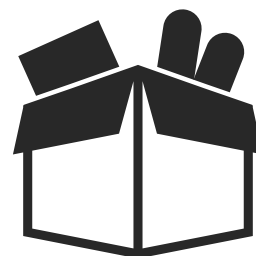>
> *James Hux, Chief Information Officer at Humanetics*

6 Purchase too much or too far in advance.

It wasn't long ago that most manufacturers kept a surplus in inventory – just in case. With today's just-in-time manufacturing, the cost of carrying excess inventory not only outweighs the benefits; it also puts you at a competitive disadvantage. With automated purchasing you can:

- Buy only what you need, when you need it
- Reduce labor costs related to purchasing
- Eliminate costly job/materials mismatches
- Easily consolidate orders to buy in quantity and get discount pricing
- Automatically order when parts fall below prescribed levels in inventory

THE COST OF CARRYING EXCESS INVENTORY OUTWEIGHS THE BENEFITS.

> " Automated purchasing has streamlined our purchasing and reduced our inventory by six digits. In three hours per week, we can have POs automatically cut for hundreds of purchased inventory parts with diverse vendors, lead times, and pricing. "
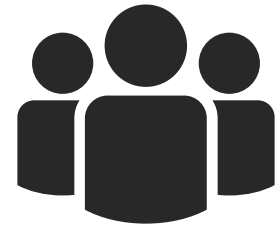>
> *James L. Martin, General Manager at Keystone Designer Furniture*

7 Skimp on training.

The manufacturing industry never stops moving forward with new tools, new technologies, and new work processes. The only way to keep up is with ongoing training for employees. But when you're focused every day on getting quality products out the door on time, it can be easy to lose track of who has had what training and when. With Global Shop Solutions Process Documentation and Training (PDT) application you can:

- Record and document all processes for auditing, certification, and training

- Record and access libraries of training materials with one click

- Keep process improvement and training materials up to date while reducing the need for paper documentation

- Maintain all records needed to comply with quality certifications

THE ONLY WAY TO KEEP UP WITH CURRENT TOOLS, TECHNOLOGIES AND PROCESSES IS WITH ONGOING TRAINING FOR EMPLOYEES.

" I'm always learning new things about the software. Every time someone shows their desktop on a Friday Feature, I see buttons and features I've never seen before. I quickly try to figure out how they got that button and how we can use that feature in our business."

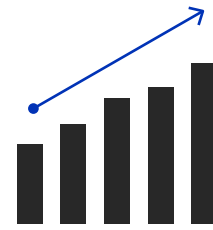*Pete Madrid, Production Manager at BHI Solutions*

8 Make decisions based on old data.

Manufacturing success often comes down to how well you manage the data. And not just any data, but real-time, accurate data. With Global Shop Solutions Business Intelligence software and Key Performance Indicators, you're working with information that is mere seconds behind what is happening on the shop floor. This enables you to:

- Access real-time data on virtually every aspect of your business

- Create custom graphs and reports displayed in the format of your choosing

- Review real-time management summaries to see what's really happening in your business

- Make better decisions based on financial, productivity, cost, vendor, and outside services reports

With reliable real-time data, you control what happens on your shop floor and in your business.

CONTROL WHAT HAPPENS ON YOUR SHOP FLOOR WITH REAL-TIME DATA.

"

Managing 900 active work orders with real-time data that is centralized, online and fully integrated in one ERP system created a revolution in process improvements for our business. The ability to review and manipulate the data for every job in near real time has dramatically improved our shop floor control and transformed the way we do business.

Jason Trubee, Plant Manager at RAM Precision Industries

"

9 Keep shop floor personnel guessing.

One of the biggest sources of waste for manufacturers is employees standing around because they don't know what to work on next. You can continue posting shop floor schedules on the bulletin board and continue getting the same results. Or, you can use Dashboards to show real-time labor, material, and production data on large screens around the shop floor. With Dashboards, watch red time shrink overnight.

Dashboards take the guesswork out of what to work on next by pulling the latest information from your ERP system into a scrolling screen display. This lets shop floor personnel:

- View the latest work orders being completed on the shop floor

- See the total list of jobs in process left to be done in a defined date range

- Make sure the top priority work orders are completed on time

- See what work orders employees are currently clocked in on

- Eliminate confusion and guesswork

DASHBOARDS TAKE THE GUESSWORK OUT OF WHAT TO WORK ON NEXT.

"
With Dashboards, workers get a better feel for the overall workflow because all the orders are on display and they don't have to shuffle through a stack of routers to see what's coming up next. They can save time and be more efficient with on-demand and upcoming jobs by appropriately sequencing them at each workcenter.

Bill Staber, President at Staber Industries

10 Stop getting better.

If customer needs didn't change, manufacturers could afford to rest on their laurels. But today's highly competitive markets demand continuous improvement just to keep up, much less stay one step ahead of the competition. Shop Management software provides the tools your business needs to meet your customers' changing demands as they happen.

- Get detailed project information, from job costing and material review to variance reports and performance measurements

- Access accurate workcenter data and scheduling information, including load details, efficiency reports, and backlog reports

- Access scheduling information – from the master work order schedule to multi-level BOM scheduling – at the click of a button

- Manage labor performance from a single screen

- Track quality in real time so you can identify opportunities for improvement

The quickest way to fall behind in the manufacturing industry is to stop trying to improve. Great manufacturers strive to get better every day.

THE QUICKEST WAY TO FALL BEHIND IN THE MANUFACTURING INDUSTRY IS TO STOP TRYING TO IMPROVE.

> " Since getting Global Shop Solutions ERP software, we just keep chipping away at all the different areas of the business and everything keeps getting better. We make a small improvement here and another one there, and pretty soon it all starts adding up.
>
> *Kyle Stone, Production Manager at Zephyr Products*

ABOUT THE AUTHOR

Daniel Carranco is the Director for the Continuous Improvement Team for Global Shop Solutions. He leads teams that deal with existing customer projects including consulting and custom development. With Global Shop Solutions for more than a decade, Carranco holds a master's degree in international business and is a frequent speaker to manufacturing executives and industry groups on maximizing ROI with ERP software.

Is your business stuck in any of these 10 "won't do's"? Call us today at 800.364.5958, or [contact us online](). Global Shop Solutions is here to help you get unstuck and on your way to doing what the great manufacturers do.

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