Spindle, Stairs & Railings

Founded in 1999 by Kevin and Kim Halliday, Spindle, Stairs & Railings *manufactures custom spindles and staircases for the southern Alberta, Canada, home construction market. Operating out of 47,000 sq. ft. of production space, Spindle, Stairs & Railings 50+ employees produce a wide selection of curved and straight staircases, wood and metal spindles, railings, doors, and mouldings for new home builders, big box wholesalers, and a small but growing retail segment. Spindle, Stairs & Railings also provides complete installation services for all their products.*

Spindle, Stairs & Railings' built-to-order custom cabinets.

Stairs are hand-crafted to fit any style of home.

A recognized industry leader, Spindle, Stairs & Railings serves their customer needs through innovative tools like the online Build-A-Stair Workshop, which enables people to design their own custom stairways. In 2007, Spindle, Stairs & Railings launched its forest products division, which gives the company total control of the production process from "forest to foyer." One of the largest stair and railings manufacturers in North America, Spindle, Stairs & Railings is also the Western Canadian distributor for Bessler, a leading producer of disappearing stairways.

Thanks to its quality products and superior customer service, Spindle, Stairs & Railings has enjoyed rapid growth over the past decade. However, the company's growth soon outstripped their ability to manage it with an outdated accounting system. In early 2009, Chief Operating Officer Gabriela Gordos began researching different ERP systems, and quickly settled on Global Shop Solutions ERP software. Spindle, Stairs & Railings purchased the software in August of that year, and went live in November after an intensive training and setup period.

"The other ERP systems we looked at didn't offer the full package we wanted," explains Gordos. "Some were missing one or two modules we wanted to use in the future, such as an online shopping cart. Others weren't designed for our manufacturing environment, or didn't have the flexibility to adapt to it. With every other system missing at least one critical piece, Global Shop Solutions became the easy choice."

Overnight Transition
Going from hand-and-paper order entry to an automated ERP system like Global Shop Solutions required a steep learning curve for both shop floor employees and management. However, according to Gordos, the implementation of Global Shop Solutions ERP software and company-wide process improvements went hand in hand.

Prior to Global Shop Solutions ERP software, job costing involved a hit-or-miss approach. Management could track the overall bottom line, but had few details about actual job costs. Consequently, they struggled to make knowledgeable decisions about which products to promote, which products yielded the best margins, and which lost money.

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With Global Shop Solutions ERP software providing detailed information about every area of the production process, management began learning (for the first time) what the actual costs were, to manufacture their products. Shortly thereafter, they began to realize significant improvements in many areas.

"Global Shop Solutions provides complete transparency throughout the company," says Co-Owner Kim Halliday, "meaning that everyone has access to all the information they need. This helps to ensure that we get the right products on time. It allows us to differentiate between what we should make to stock versus what we should produce only for jobs. And it allows us to clearly forecast our short and long term requirements."

"In particular, Global Shop Solutions' extensive reporting features played a critical role in learning about the details of our business. From a production management standpoint, Global Shop Solutions brought Spindle, Stairs & Railings into the 21st century virtually overnight."

Sixty-Eight Percent Decrease in Service Costs
Much of Spindle, Stairs & Railings installation work takes place in new homes. These installations have to be perfect before the owners will take possession of the home, which often leads to rework. This, in turn, can lead to significant service costs. Using a custom report created through Global Shop Solutions ERP software, Spindle, Stairs & Railings lowered their service costs by a staggering 68 percent.

"When we don't get an installation right the first time, we send out our service team to make the repairs, which significantly adds to the cost of the job," says Gordos. "Using the reports, we created a custom service report that allows us to identify where the losses are occurring and how we can prevent them in the future. This not only reduces our costs, it definitely makes for happier customers."

Global Shop Solutions ERP software also helps with another area where expenses can quickly get out of hand – inventory.

In the past, Spindle, Stairs & Railings lacked a real inventory management system. When it came time to order raw materials or determine which stock items to make, management simply "eyeballed" inventory levels and made their best estimate. Since implementing Global Shop Solutions ERP software, managers can now plan and track inventory with remarkable precision. More important, they have gone from making educated guesses on job costs and requirements to exact costing and the ability to forecast effectively based on data trends.

Co-Owner of Spindle, Stairs & Railings, Kevin Halliday.

"Prior to Global Shop Solutions, we couldn't absorb our labor, manufacturing and overhead costs," says Gordos. "They were all just part of total expenses. Now we have actual costs for every job, which enables us to make informed decisions about our production and installation processes."

In addition, the automated work order generation feature has helped Spindle, Stairs & Railings clean up their inventory while eliminating missed orders.

"I didn't know how far off we were on inventory until we started using the automated work order generation," adds Gordos. "If we're ordering the wrong amount or wrong product, the system will tell us when something is off, which gives us an opportunity to investigate and make corrections. With Global Shop Solutions, our inventory is improving on a daily basis."

Simplifying Scheduling
The real litmus test for every ERP system is its job scheduling capabilities. In addition to efficient scheduling of the normal workflow, a great ERP system will also offer the ability to handle unusual circumstances, including sudden changes to jobs in progress as well as those yet to begin. Here again, Global Shop Solutions ERP software excels for Spindle, Stairs & Railings.

To install their products, Spindle, Stairs & Railings hires subcontractors rather than employees. To schedule the subcontracted portion of each job, management must assess how long each install will take and plan accordingly.

Global Shop SOLUTIONS ERP SOFTWARE

This requires a very different process from scheduling the shop floor, where labor and machine constraints represent the primary scheduling challenges. According to Gordos, Global Shop Solutions ERP software easily integrates both types of scheduling with their Advanced Planning & Scheduling (APS) application.

"In construction, job changes happen all the time, and they happen very quickly," she explains. "We have to be able to respond to these changes, and Global Shop Solutions lets us do that in two simple steps."

"With APS, we simply backward schedule, click 'okay,' and everything falls into place. Global Shop Solutions automatically reschedules when to manufacture the parts, when to install the job, and when to call in quality control for inspection. And if one job gets postponed, the system lets us know whether those materials might be available for another job."

Working Smarter

Scheduling and inventory aside, Halliday believes the most important improvements have come in the area of job costing.

With Global Shop SolutionsERP software, Spindle, Stairs & Railings can put everything into one work order. Manufactured (stock) product, purchased product via purchase order, the vendor bill for the subcontractor – anything related to a job goes on the work order. From that point on, any additional costs get linked back to that original work order. Once a job is complete, management can look back and determine the costs and margins.

"Job costing is simple because we just click a button to get all the data we need," says Halliday. "This gives us much greater control over our production processes because we always know what's happening with every job, what stage of the job people are working on, and where it is on the shop floor."

When it comes to generating new operating efficiencies and improving the quality of decision-making, Global Shop Solutions ERP software continues to have an impact throughout the company.

The Supply & Demand screen gives Gordos a high-level overview of every area of the company, while offering the ability to drill down to any level of detail regarding a part, a job, a customer, or a work order. From one screen, she can keep an eye on inventory by monitoring reorder points, pricing, job costing, and other critical areas. She can also adjust inventory numbers in response to seasonal fluctuations within the construction industry.

The Global Application Builder (GAB) enables easy customization of the software without major programming changes. On the shop floor, the Document Control application saves time by making drawings, customer spec sheets, and other documents easily available through the workcenter screens. And the ability to electronically send sales and work order activation messages has dramatically reduced the time spent trying to communicate in person or via phone, email, or voicemail.

From a customer service standpoint, Halliday considers the Customer Relationship Management (CRM) module a highly useful tool.

"With one piece of information – such as purchase order number, phone number, address, or sales order – you can instantly get all the historical data about that customer," says Halliday. "Before, uncovering this kind of information required running around and talking to people, hunting in filing cabinets, and often relying on memory. Now all that historical data is right there in one location, and the drill-down capabilities are amazing. You can even drill down to the original work order with one simple search."

She also likes how using the Shop Floor Data Collection system to electronically clock in and off jobs has made shop floor personnel more accountable for their time.

"We got a lot of pushback at first because people felt like we were using the scanning process to check up on them," says Halliday. "Of course we want to track everyone's time in order to control labor costs. But it also shows employees how valuable their time is. Gradually, people began to realize that when they work more efficiently, everyone benefits. Now, Global Shop Solutions has become an integral part of how we do business – working smarter, more efficiently, and with much better command of the information we need to continue growing the business."

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