10 Secrets Your Competitors Don't Want You to Know About ERP Software

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ERP SOFTWARE
We simplify your manufacturing.™

It wasn't too long ago that having a reliable ERP system to manage your shop floor was enough to give you a strong competitive edge. Today you need ERP just to have a seat at the table, and it's how you use ERP in every area of your business that separates the winners from the losers. Here are 10 secrets our most successful customers tell us, but not their competitors, about how they get the most from their ERP software.

1 Your ERP is the Heartbeat of Your Business.

ERP systems are like the human heart, continually refreshing and pumping blood everywhere it needs to go. Only with ERP, the "blood" consists of real-time data on every aspect of your business – from quote to cash and everything in between. Operating as a central organizing hub for the data required to manage your business, ERP makes all your systems and processes more visible, touching all critical aspects of your shop floor so everything gets better, especially your sales.

Employees can perform their jobs more efficiently and management can make informed decisions based on accurate, up-to-the-minute information. Automating manual processes simplifies shop floor and back-office tasks. Costs and waste decline while sales, margins and product quality increase. Everything comes together in one integrated system, providing the heartbeat that keeps your business healthy and growing day in and day out.
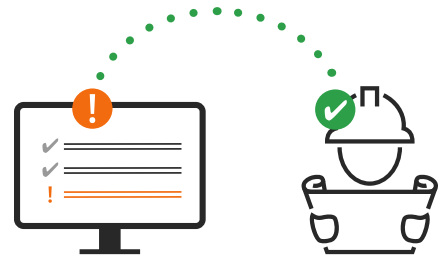
ERP PROVIDES THE HEARTBEAT THAT KEEPS YOUR BUSINESS HEALTHY AND GROWING DAY IN AND DAY OUT.

2 Recognize Problems *As They Happen.*

Access to real-time shop floor data creates another powerful competitive advantage. However, identifying and fixing problems when they occur – instead of days or weeks later – requires getting the data to the right people at the right time.

Pull real-time data from your ERP system and display it on screens throughout the shop floor. Data can include the status of work orders in progress, work orders scheduled to begin, hot jobs that need immediate attention, and more. Employees know the most important work to be completed now without leaving their machines or workcenters.

Monitoring the completion of each production step with Company Messaging software keeps everyone up to date on the quality status of jobs in progress. Quality Control software captures real-time entry of non-conforming parts so you can take corrective action as problems occur. When quality problems are logged into the system, it automatically generates a Cause and Corrective Action report that helps identify the root cause of the problem and avoid shipping defective parts.

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3 Be Paperless.

Going paperless impacts all areas of the business. On the shop floor it reduces the number of indirect steps when producing a part or assembly, while eliminating the need to print and manually distribute work orders, routers, job specs, setup routines or quality instructions. On the admin side, going paperless significantly reduces the time required to process shipping, receiving, invoicing, receivables, inventory and other transactions.

How do you become paperless? In large part by leveraging RFID, label printing, mobile software, handheld wireless devices, and other automated features built into your ERP. For example, getting rid of paper redefines the material management process by locating and moving parts and materials using handheld devices. You can enter transactions from anywhere in the plant while improving data accuracy.

Up to the moment data is essential for making smart decisions. Yet, the data on paper reports becomes obsolete as soon as you print it. Look at any screen in your ERP and you *know* you're viewing the most current information. Going paperless leans your entire business, improves your competitive position, and puts more money on your bottom line.

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4 Deliver a Quality Product On Time Every Time.

Growing a profitable manufacturing business requires a solid base of loyal customers who order from you again and again. This occurs when customers can trust you to deliver near-perfect parts on time when you say you will.

Developing that level of trust starts with Quality Control software that manages the entire quality process for manufactured parts and purchased parts. Real-time tracking of nonconforming parts by vendor, customer, employee, workcenter, and more, implementing cause and corrective action, and final signoff on all products produces near-perfect parts that meet your customers' needs.

With Advanced Planning & Scheduling (APS) software, you can expect to be on time 99+ percent of the time. APS provides real-time load visibility, accurate forecasting and easy rerouting of jobs, making scheduling an accurate, effortless process. You enter the data and the software does the scheduling for you – in minutes instead of hours or days – so you can trust your schedule when promising due dates to customers.

From there, Shipping software helps you stage your shipments faster and more efficiently while getting product out the door quicker.

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5 Know Job Cost by Component.

The ability to track costs by component provides an important advantage when estimating, quoting and pricing. However, if you're still lumping labor, materials and other individual costing components together it can be hard to determine the impact of each component on total cost of finished goods. This, in turn, makes it difficult to pinpoint which components are causing the increase when cost of goods sold begin to climb.

FLOOOM software takes the uncertainty out of this process by measuring Freight, Labor, Overhead, Outside, Other and Material to identify individual costing components with remarkable precision. With this data you can determine how much labor and material went into a part, how the cost breakdown compares with past production, and which process needs improvement to lower costs.

FLOOOM also provides a complete history of finished goods costs, including old quantities, current transaction, new quantity, and the cost for each. Knowing how the individual cost of each component contributes to your total cost of goods sold leads to better management decisions for today and tomorrow.

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6

Always Measure.

Gauge the overall health of your business with a wide array of searchable and flexible Key Performance Indicators (KPIs) tailored to your needs. Customized charts, graphs, and traditional reports provide summary and detailed information related to margins, product lines, sales trends, financial performance and more, make measuring easy.

Tracking and analyzing KPIs provides the summary and detailed data needed to predict future actions and results. It also helps eliminate management by fire, encourages changes in thinking and actions, and supports a culture of evidence-based management.

Dashboards capabilities further enhance the value of KPI data by organizing and filtering the data you want on one screen. Three of the most popular Dashboards include:

1. **Labor Performance Dashboard.**
   Efficiently manage labor costs by combining labor measurement and workforce performance data into one screen.

2. **Purchasing Dashboard.**
   Display all open POs due today and those that are overdue while also receive incoming material.

3. **Master Schedule Dashboard.**
   Keep jobs on schedule with complete visibility of all open orders.

7 Integrate Everything.

The Internet of Things (IoT) continues to turn manufacturing into a connected industry. Integrating third-party IoT technologies with your ERP system saves time, cuts costs, improves efficiency, and simplifies your entire manufacturing process. It also provides a powerful competitive advantage.

Some of the most popular integrations available with ERP software include:

- **Electronic Data Interchange (EDI).** Facilitates computer-to-computer data exchange, eliminating the need for double manual entry on purchase orders, invoices, shipping notices, and other documents.

- **CAD Interface.** Eliminates manual entry by importing BOMs into your ERP directly from your CAD software.

- **HR & Payroll.** Manage your employees' time and attendance, benefits, performance and payroll in one integrated system.

- **Nesting Interface.** Integrate your shop floor cutting process, simplify production, and optimize material usage by sharing data in your ERP and Nesting software.

- **RFID Technology.** Simplify routine tasks such as clocking in and out of jobs, tracing inventory, monitoring waste, and tracking material movement on the shop floor.

- **Shipping Integrator.** Get products out the door quicker by entering the order number, customer data and packaging information directly into your ERP system instead of the third-party shipper screen.

- **Websites and ERP software.** Make it easier for customers to do business with you through online order processing, electronic billing, instant payment options, and website integrations.
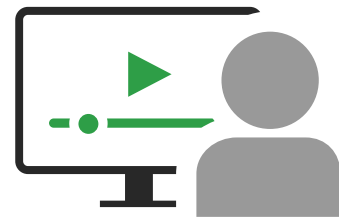
8 Grow the Skills of Your Employees With Ongoing Training.

ERP changes regularly – enhancements come out, new applications are available, Dashboards are built, and more. Continuing to make your ERP work for you requires upgrading the skills of your people on a systematic basis.

Your ERP software provider should have a Learning Management System that simplifies training with an online, self-paced module to deliver, track and certify training for each ERP user. Other examples of training can include ERP Boot Camps, User Conferences, Advanced Certification courses or weekly webinars.

We recommend training at least one "super user" in your business – someone who knows the ERP system inside and out and can train others throughout the company. Once you have this person in place, start building a cadre of super user employees who are experts in their specific areas. You'll be amazed at the speed, productivity, and innovation with which your workforce gets things done!

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9 Provide Better Service with eCommerce.

Customers love it when manufacturers make it easy to do business with them. eCommerce software provides the ultimate in convenience by connecting your website to your ERP system.

With eCommerce, customers log on to a secure portal on your website to place an order. Your ERP system launches the sales and work order processes, directly invoices the customer, and processes payment on the website. Transactions are processed inside the ERP system, creating a faster and more efficient order entry process for you and your customers.

Customers no longer have to pick up the phone to place orders, check order status, and process invoices. Instead they get, fast, accurate order processing, credit card payment options, and electronic invoicing. In your business, eCommerce works seamlessly with our Shipping Integrator, for simple single-data entry shipping. Online payment speeds up the payment process and improves your cash flow. Best of all, websites don't go home at night or take days off, allowing customers to place orders 24 hours a day.

CUSTOMERS GET FAST, ACCURATE ORDER PROCESSING, CREDIT CARD PAYMENT OPTIONS, AND ELECTRONIC INVOICING WITH ECOMMERCE SOFTWARE.

10

Have a Continuous Improvement Plan.

Do you sometimes wonder if you're seeing everything happening on your shop floor? Are you prepared to respond when the market shifts? Do you struggle to get better numbers out of your people? These and other nagging questions can be answered with a continuous improvement plan that includes continually getting better with your ERP software. Manufacturing experts can help you create such a plan, so make sure your ERP provider has those experts on hand.

Our customers say that having a [Continuous Improvement](#) team of experts in their corner allows them to anticipate and forecast future needs, respond quickly to market changes, improve their business health, and prepare for challenges. They identify GAP Analysis, Business Health Check and Process Audit as important tools in their continual improvement. Keep in mind that today's market leaders refuse to settle for the status quo. Instead, they rely on their ERP system and ongoing education from expert providers to continually develop new and better ways to get work done.

ABOUT THE AUTHOR

Chris Pinaire, MBA, PMP is the Director of Consulting and Implementation at Global Shop Solutions, where he has been a part of more than 350 ERP software implementations. His team has more than 250 implementations active at any given time. With Global Shop Solutions for more than 18 years, Pinaire daily helps manufacturers simplify their operations and become better.

These 10 secrets represent just some of the ways you can get ahead of competitors. Call us at +1.800.364.5958 or [set up an online demo](#) to start putting them to work in your business today.

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