

GLOBAL SHOP SOLUTIONS CASE STUDY

Cartoplastic

A family-owned business located in Panama City, Panama, Cartoplastic converts paper, board and plastics into file folders for the office and school industry. The firm also makes a variety of office products such as ring binders and checkbook covers, many of which are customized with personal printing or foil stamping.



Nearly half of Cartoplastic's jobs require screen printing, foil stamping or some type of custom artwork, such as logos and decorations.



At Cartoplastic, no two jobs are exactly alike.

From Guesswork to Precision Management

In today's highly competitive markets, manufacturing companies can't compete unless they keep costs under tight control. That goes for everything from raw materials to shop floor labor to back-office overhead. So imagine what it must be like to operate in a system where you can't track inventory very effectively, you can't accurately estimate or measure production costs, and you can't determine whether you made or lost money on a job - even after it's finished!

That's the kind of environment Ramon Fabrega used to struggle with every day in his office supplies manufacturing company, Cartoplastic, S.A. Fortunately, it's been a very different story since becoming a Global Shop Solutions customer in 1999. When he thinks back to Cartoplastic's pre-Global Shop Solutions days, Fabrega sometimes wonders how his business managed to survive.

"Our company needs to know the cost of every order down to the last dollar," he says. "But at that time we had no way of knowing how much it cost us to produce anything. We tracked raw materials and finished goods by hand and threw everything that looked like a cost into one big bowl. At the end of the month, we added up everything in the bowl - salaries, utilities, raw materials, etc. - and that determined our costs for the previous 30 days. At year's end, we added up all those costs and compared them to total sales. That's how we knew whether we made money. As to the profitability of individual jobs or products, we didn't have a clue."

Knowing his business couldn't continue under such a system, Fabrega decided to invest in Global Shop Solutions ERP software. Years later, he considers it one of the best investments he ever made.

With Global Shop Solutions ERP software, Fabrega now knows exactly how much it costs to produce every part or product, every time they make it. The software also enables him to **track all raw materials and inventory**, including history of consumption and where and when each part or material was used. As a result, Fabrega can now estimate and quote jobs with much greater precision.

“Before Global Shop Solutions, I would estimate production costs based on the information I had in my head and come up with a price for the customer,” he says. “But when I sent the order to the production floor, they would make the product whatever way they thought best, which was not necessarily the way I quoted it or the way I thought it should be done. Our system involved guesswork at almost every step of the process.”

“Now when I **prepare an estimate**, I go into Global Shop Solutions ERP software and look at the materials required for the job. I compare that to the quantity remaining in the system, and use that information to quote the job. Global Shop Solutions ERP software sends that information to the shop floor, and that’s what production uses to make the goods. It eliminates all the guesswork, and I don’t have to take the time to explain everything to make sure everyone understands my estimate.”

“More important, I know beforehand whether we will make money on a job, and I can compare my estimates to reality. The final result doesn’t always go as planned because nobody’s perfect. But if our estimates deviate from actual results, Global Shop Solutions ERP software allows me to review the job, figure out what happened, and take corrective action.”

ERP Software Facilitates “Road Warrior” Reporting

A shop floor is a very dynamic environment. New orders come in every day. Customers call in to make changes. Shipping and delivery dates get moved up or pushed out. To stay on top of such a constantly changing environment, Fabrega wears multiple hats, including checking inventory, giving price estimates, putting together work orders and auditing the books at the end of the month. Fabrega also travels a lot. Thanks to Global Shop Solutions ERP software’s robust reporting features, he can manage his business on the road without missing a beat.

Every night after the shop shuts down, Global Shop Solutions ERP software automatically runs several different reports. Fabrega reviews these reports to make sure the next day’s jobs are scheduled properly and to identify any potential problem areas. At home, he simply logs into the system on his PC and reviews the reports online. When he’s on the road, Global Shop Solutions ERP software automatically emails the reports, which Fabrega then reviews on his laptop or iPad. What does he look at first? Inventory and raw materials.

“We make all our products to order,” explains Fabrega, “so we shouldn’t have any finished goods in inventory, just raw materials. The Global Shop Solutions report tells me how much I have in inventory, how much I have coming in for which jobs, how much I have used over the last 12 months - everything I need to know to stay on top of inventory and raw materials.”

Next, Fabrega reviews a report on all sales orders that came in during the day. This report details what each customer ordered, how much they ordered, and the estimated cost of production for the job. Fabrega also gets a report on every work order that closed by the end of day. Plus he reviews two detailed productivity reports that provide information on the productivity of each shop floor employee and each machine.

And those are just the reports that come with Global Shop Solutions ERP software. Fabrega also produces a couple of custom Crystal reports to review with his standard reports. Most ERP software requires additional programming in order to sync with Crystal reports. Global Shop Solutions’ **Global Application Builder (GAB)** tool enables Fabrega to create and run Crystal reports without any additional programming. And it automatically emails them along with the regular Global Shop Solutions ERP software reports.

In addition to staying on top of inventory, work orders, and other key areas, Fabrega appreciates how the nightly reports provide a head start on the next day.

“Reviewing these reports at night allows me to send emails to people ahead of time,” he explains, “so that when they show up in the morning, they immediately know what to focus on. Because they get my questions or comments in advance, they can start giving me answers as soon as I walk in the door.”



*Cartoplastic owner and president,
Ramon Fabrega.*

"I started out with just one or two reports. Now I'm up to five or six every night. I get the emails on my PC at home or on my iPhone or iPad while on the road. Global Shop Solutions allows me to manage my business from anywhere - a huge advantage for someone who travels as much as I do."

Customer Designs Instantly Accessible in Document Control™

Another big time saver for Cartoplastic is the **Document Control™** application, which stores documents in the system that were created outside the system.

According to Fabrega, about 40% of Cartoplastic's jobs involve some type of personalized printing or foil stamping. These customers like to have their name, logo and other design features in specific areas of the part being made. So for each custom job, Cartoplastic draws up a design sheet that lists all the measurements and design specifications for the part. These design sheets get scanned into the Document Control application, so that the system maintains a permanent record of every customer's design specifications. Whenever a customer calls in with a new order, shop floor personnel can access the appropriate design sheet with just a few clicks of their mouse.

"Document Control saves a lot of time because the person doing the job doesn't have to track down the information from the salesperson or call the customer to ask questions or verify the design layout. He simply logs into the system and it's all right there," explains Fabrega.

"Once the information gets entered into the system, it stays there. So that when a customer calls in with a reorder or even a new job, we can instantly look back at all the drawings, designs and any personalization we did for them in the past. For companies that do a lot of customization, the Document Control tool is a real lifesaver. We use it every day."

Indispensable Routers, the Backbone of Every Job

Fabrega also appreciates the robust **routing capabilities**. When new orders come in from customers, he estimates the quantity of materials needed, what machines will be required to make the part, and how much time will be needed on each machine. Global Shop Solutions takes this estimating information and converts it into a router, which enables Fabrega to create a work order and make the product. The beauty of the router is that it lays out every step of a job in precise detail, so that anyone can step in and take over a job if necessary.

"In 2006, my manager left the company on short notice," recalls Fabrega. "His replacement was able to get up to speed very quickly because the router contained all the data about every job in the shop. When my current manager goes on vacation, I can assign someone else to act as plant manager because all the information is there, in one central location, for every item we make."

Global Shop Solutions ERP software also allows Cartoplastic to track labor and machine capacity, a key element in accurate quoting. If you can't estimate the capacity of your plant, you can't know when to promise the product. According to Fabrega, Global Shop Solutions makes it easy to track machine usage in terms of time and availability.

When a customer calls in with a rush order, Global Shop Solutions ERP software indicates how much capacity each machine has left for that workweek. This allows Fabrega to determine whether it will require overtime to get the job out on time, which enables him to accurately estimate the job and quote the right price while meeting the customer's requested delivery date.

Growing Sales without Adding Overhead

Perhaps most important, Global Shop Solutions has enabled Cartoplastic to triple sales without the accompanying administrative **overhead costs**. "A lot of companies use Global Shop Solutions to help them get lean," notes Fabrega, "but we were already fairly lean when we got the software, at least in terms of staffing. Global Shop Solutions has allowed us to triple sales and handle five times the amount of orders we used to handle without adding any personnel on the administrative side."

"Several employees have worked for me for 15 to 20 years. We joke about what it would be like today if we attempted to handle that much volume the same way we ran the company before Global Shop Solutions. We would probably all go nuts!"