

# DISCOVER WHY DOING NOTHING WILL COST YOU MORE—OVERCOME YOUR ORGANIZATION'S BIGGEST COMPETITOR: THE STATUS QUO





How many millions of dollars is your organization leaving on the table every day?

Is your organization monitoring progress toward achieving business objectives?

Manufacturing leaders often struggle to pinpoint the source and breadth of the waste in their organizations. Even when they are able to identify and quantify the hidden costs of inaction (“the status quo”), the process of implementing change can often be a mammoth task. In order to remain competitive and not waste money, manufacturing leaders must overcome their biggest competitor—“DOING NOTHING” and look to re-examine how every part of a business can offer value for less, including identifying the many hidden and not-so-hidden costs.



## WHAT MANUFACTURING LEADERS NEED TO KNOW ABOUT REALIZING *LOST* DOLLARS IN THEIR ORGANIZATIONS



ACCORDING TO THE 2016 MANUFACTURER'S OUTLOOK REPORT PUBLISHED BY PLANT, a leading publication advancing Canadian Manufacturing, which surveyed over four hundred senior manufacturing executives throughout Canada, 94 per cent of respondents say productivity is key to business growth, but just 38% are pursuing a formal strategy although 28% plan to create one, as compared to 2015 which reported that 95% of respondents said productivity is key to business growth but 45% are pursuing a formal productivity improvement strategy while 20% are in the processes of developing one.

In 2016, the majority of the firms surveyed reported that (71%) are focusing efforts on employee training and 55% are investing in technologies.

Today's manufacturing leaders must examine how every part of a business can offer value for less, including identifying the many hidden and not-so-hidden costs in the following key areas:



**PURCHASING:** Without a streamlined purchasing process, including a strong team to oversee this process, the potential for going over-budget (and quickly) is very high. Manufacturing leaders must also look into the hidden cost of compliance to contracts, especially in the event of having to use a not-so-preferred supplier. Finally, budget constraints have meant that many departments are relatively under-funded, with purchasing and procurement often losing out to IT and Finance.



**INVENTORY MANAGEMENT:** Many companies, from small to medium businesses all the way to the enterprise, struggle with visibility across the supply chain. Often, this results in significant spend on non-core items. Additionally, manual processes and/or the use of dated software can often result in inefficient processes—and that, in turn, results in a lot of money being left on the table.



**SALES FULFILLMENT:** With growing competition, manufacturing leaders have a tough job in ensuring their customers see value in the business. That means having their demands met correctly, quickly, and with great service. Onerous and incorrect inventory tracking processes can spell disaster for both customers and employees working on fulfilling sales.



## BENEFITS OF REDUCING THE HIDDEN COSTS



Taking a streamlined approach to realizing *lost* dollars in manufacturing will help:



**PURCHASING:** Purchasing processes become more proactive and efficient—reducing redundancies and expensive last-minute orders.



**INVENTORY MANAGEMENT:** Inventory processes become less about guesswork and more about stocking up on the goods and services that customers want. This also helps decrease cycle times and process conflicts—while resulting in higher turns.



**SALES FULFILLMENT:** Sales fulfillment processes are primed to be more efficient and profitable. With increased consistency, manufacturers can provide reliable results to customers—thereby increasing brand trust and reputation.



## ADDRESSING THE HIDDEN COSTS



### Challenges to tackling the status quo

While the opportunity cost of addressing the status quo can seem like an impossible task (especially when it comes to costs related to purchasing, inventory, and sales), failing to do so will either stifle business potential or drive it into the ground.

Manufacturers can begin to address the hidden costs in their businesses by building a framework for business process improvement, which includes a sound performance monitoring process.

### Creating a Roadmap for Success



**FOLLOW A STRAIGHT FORWARD METHODOLOGY:** Define, Measure, Analyze, Improve, Control (DMAIC). The DMAIC improvement cycle is the core tool used to drive Six Sigma projects and is useful in improving existing systems and processes and reducing revenue waste.



**FOCUS ON THE VISION FOR YOUR PEOPLE, PROCESS AND TECHNOLOGY:** Provide executive management with a roadmap for success—to help align business processes with corporate strategy and vision.



### MANAGE CHANGE BY INCLUDING STAFF RESOURCES:

Change management is a critical success factor for sustainable improvements. A hands-on approach helps staff feel included in the process—while empowering them to understand the importance of realizing *lost* dollars in the organization.



## MEASURING THE HIDDEN COSTS

Enterprise Resource Planning (ERP) software provides manufacturers with a strong foundation for building efficient purchasing, inventory, and order fulfillment processes.



Solutions enables you to plan your workload based on existing orders and forecasts.



ERP solutions provides you the right tools to deliver a high-level of service to your customers.



Solutions protects your critical business data, and translates it into decision-making information.

## ABOUT SYSPRO



### **SYSPRO software is an award-winning, best-of-breed Enterprise Resource Planning (ERP) software solution for cost-effective on-premise and cloud-based utilization.**

Industry analysts rank SYSPRO software among the finest, best-in-class enterprise-resource planning solutions in the world. SYSPRO software's powerful features, simplicity of use, scalability, information visibility, analytic/reporting capabilities, business process and rapid deployment methodology are unmatched in its sector.

SYSPRO, formed in 1978, has earned the trust of thousands of companies globally. SYSPRO's ability to grow with its customers and its adherence to developing technology, based on the needs of customers, is why SYSPRO enjoys one of the highest customer retention rates in the industry.

### **NEXT STEPS:**

If you want to learn how SYSPRO can uncover hidden costs in your manufacturing organization, contact us today at [info@ca.syspro.com](mailto:info@ca.syspro.com) or +1 (888) 259-6666.

