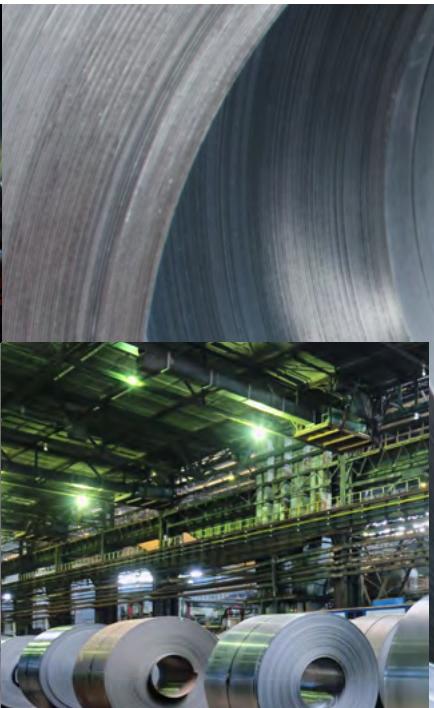


OPTIMIZE OPERATIONAL PERFORMANCE FOR METAL FABRICATORS: IMPROVE VISIBILITY ACROSS THE ORGANIZATION WITH 3 LEADING STRATEGIES





Volatile commodity prices combined with shrinking markets, increased levels of customer-driven expectations, and skilled labor shortages due to an aging workforce, are just a few of the many challenges that manufacturing leaders in the metal fabrication industry face today.

In order to gain a competitive advantage and grow their businesses, metal manufacturers need to reassess their operations.

The ultimate goal for metal fabricators should be to simplify the manufacturing process with improved efficiency, while increasing profits. In order to do so, metal manufacturers need to have accurate, real-time visibility into their operations. This allows them to be more responsive to both internal and external issues that arise (often with no warning), make sound business decisions based on facts (and not gut feel), and proactively look for opportunities to enhance business processes, for a competitive advantage.

This solution sheet outlines three leading strategies that metal manufacturers should consider, to help improve operational visibility within their organizations, in order to gain a competitive advantage and grow their businesses.

STRATEGY #1**CONNECT THE SHOP FLOOR TO THE
“TOP FLOOR”**

Effective communication between factory production and leadership teams is a critical component in achieving operational visibility. By transmitting shop floor data, in real-time, to executives or to the “top floor,” metal manufacturers can ensure critical information for insightful and informed decision-making. This includes tasks such as, producing quotes quickly and accurately, scheduling jobs to meet deadlines, and completing customer orders, with the appropriate margins intact. Metal manufacturers can improve communications between the shop floor and the “top floor” by establishing a carefully crafted strategy, including:

**1.**

Establishing a stable and on-going relationship between line workers and senior management, to help improve supply chain and production management processes.

**2.**

Agreeing on productivity goals and KPIs to set manageable expectations.

**3.**

Refining systems, data and reporting processes to identify the multiple—and possible disparate—applications being used, and integrate them into a centralized system.

**4.**

Reducing waste by mobilizing shop floor employees and senior management, in the same strategic direction.

STRATEGY #1**CONNECT THE SHOP FLOOR TO THE
“TOP FLOOR”**

Before you jump ahead and make changes that impact existing business processes and technology, consider first what the end goal is for your business.

Here are some questions metal manufacturers should consider:

- What metrics should be examined to help meet business goals?
- Based on the current technology ecosystem, how should information be collected and stored?
- How can data be best analyzed to help improve shop floor processes?
- What decisions should be made based on this analysis and who should be involved in the decision-making process?
- Which shop floor processes are relatively easy to automate in the short-term?
- Which manual processes are most problematic on the shop floor?
- Where are the immediate bottlenecks and inefficiencies, and how can automation help?

STRATEGY #2**IMPROVE INVENTORY MANAGEMENT PROCESSES**

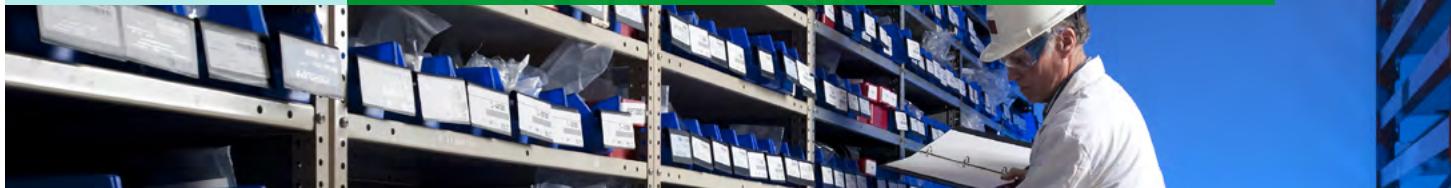
Inventory, and the costs associated with carrying raw materials and finished goods, represent some of the most significant costs for a metal fabrication company. Inventory is money that's been invested at a negative rate of interest. The longer it sits unused, the more it costs. Inventory ties up a business' cash reserves, and it occupies expensive warehouse space. Therefore, it is critical that manufacturing leaders optimize their inventory processes, while at the same time, freeing up capital that is needed for investments in growth.

Some common inventory-related issues that metal manufacturers face, include:

-  **Too much of some products:** This excess inventory and dead stock leads to decreased turnover and profitability.
-  **Stockouts of other products:** This results in back-orders, lost sales, and dissatisfied customers.
-  **Questionable stock:** The on-hand quantity does not agree with what is on the shelf, in their warehouse.
-  **Unknown location of stock in their warehouse:** They know the material is "out there, somewhere" but they don't know exactly where it is located.

STRATEGY #2

IMPROVE INVENTORY MANAGEMENT PROCESSES



Here are some key strategies metal manufacturers should consider to better manage their inventory-related issues:



Automation and technology such as Enterprise Resource Planning (ERP) can streamline manual, error-prone tasks. Maintaining accurate counts of inventory, while reducing the amount of time spent moving and totalling the number of items around the warehouse, is a huge challenge for manufacturers. This is where automation can play a critical role. Leaving paper processes behind and investing in a true inventory management solution helps to ensure that your business has the best visibility into the on-hand inventory levels, as well as, opportunities to reduce costs, and improve inventory management processes.



Business process models such as Sales and Operations Planning (S&OP) for diligent and frequent forecasting, **or Demand Driven Material Requirements Planning (DDMRP)** for integrating planning and execution visibility, will help improve your bottom line. Both S&OP and DDMRP can help manufacturing leaders better forecast and meet demand. When demand can be predicted accurately, it can be met in a timely and efficient manner—keeping both channel partners and final customers satisfied. Accurate forecasts help a company avoid lost sales or stock-out situations, and prevent customers from going to competitors.



Governance over rogue and reactive purchasing, from multiple stakeholders in the organization, will help save on inventory and inventory related costs. When inventory purchasing processes are not streamlined, metal manufacturing leaders spend a lot of time expediting purchases and paying for premiums, as a result of last-minute ordering. Often, manufacturers also end up paying higher prices to suppliers who have to accommodate last-minute orders.

By streamlining inventory management processes, metal manufacturers can ensure they have the right items, at the right time—in order to meet customer demand.

STRATEGY #3**AUTOMATE PEOPLE PROCESSES**

Metal manufacturers that establish the right shop floor automation (and innovation) are more likely to increase production volume, reduce costs, and improve quality of delivering goods. Automating critical people processes on the shop floor can help establish greater operational visibility into the productivity of plant operations and provide metal fabricators with a substantial advantage over their competitors—and help them grow exponentially.

Automating people processes provides metal manufacturers with a solid foundation for efficient data collection and process monitoring. This means that both workers and executives alike, can spend less time on administrative and/or manual tasks, and focus more of their attention on meaningful activities—designed to drive topline business results.

Metal manufacturers who rely on innovation and technology to automate their people processes are well-positioned for the following business benefits, including:

- Ensuring accurate labor information and timely access to it.
- Reducing the amount of time line workers spend manually recording and entering data.
- Allowing real-time insights into where resources are most needed on their shop floor, and which areas resources can be reduced.
- Ensuring products are priced to achieve the correct profit margins and that revenue leakage is minimized.
- Eliminating redundant processes, and providing better visibility into inventory levels and overhead costs.

STRATEGY #3**AUTOMATE PEOPLE PROCESSES**

With the rise of devices and factory equipment that use the internet to collect, monitor, exchange, analyze, and implement information to meet business needs through intelligent and automated actions, metal manufacturers have a wide range of options if/when they decide to automate people processes on the shop floor.

Areas of automation may include, but need not be limited to:



Job scheduling and allocation: Automating the scheduling, planning, and assignment of tasks to line workers.



Performance: Automating performance tracking such as cycle times and order-to-delivery times.



Purchasing: Automating purchase orders based on predetermined thresholds and order criteria.



Procurement: Automating decision-making around procurement within different levels of the supply chain, using predetermined order criteria.



Inventory management: Accessing real-time data for effective inventory management automation, including return process management and 'Just-in-Time' inventory management.



Customer experience: Automating the customer experience, including the ability to place orders and pay for them online.

HOW ERP SOLUTIONS IMPROVE OPERATIONAL VISIBILITY FOR METAL FABRICATORS



Enterprise Resource Planning (ERP) solutions provide metal manufacturers with a solid foundation for integrating and automating key business functions, including core operational and planning processes. ERP software provides a central planning hub and execution engine that brings together material requirements planning (MRP), production scheduling, process forecasting, and capacity requirements planning—all while supporting core functions including, sales, order-entry, inventory, shop floor control, purchasing, and finance.

ERP solutions will help metal manufacturers better plan for—and meet, growth strategies by:

- Reducing reliance on inaccurate forecasts
- Eliminating shortages
- Reducing expensive inventories, while improving customer service
- Compressing lead times for materials and finished goods
- Connecting the entire business across people, process and technology

HOW ERP SOLUTIONS IMPROVE OPERATIONAL VISIBILITY FOR METAL FABRICATORS

SYSPRO software offers metal manufacturers specifically designed business benefits, including:



Optimized quotation process: Create comprehensive customer quotes—in a timely manner. SYSPRO allows you to easily share updated information, which will improve the efficiency of the quoting process and turnaround times.



Streamlined planning process: Plan and create realistic production, purchasing, and supply transfer schedules. SYSPRO allows you to identify capacity constraints and maintain optimal stock holdings, in a multi-site and multi-warehouse environment.



Synchronized supply and demand: Increase production output and reduce costs, by automating business processes and connecting your shop floor. Prevent costly production interruptions by automating order placement processes, supply chain processes, and executing efficient production plans.



Complete supply chain integration: Improve information sharing, reduce duplicate data-entry, and allow data to be stored in one place, for consolidated reporting and analysis. Easily integrate with third-party products, business partners, and vendors.



Design and engineering collaboration: Improve electronic collaboration with customers for the creation of specified designs. SYSPRO enables the creation of user-defined workflows to control the product development process and ensure electronic sign-off.



Inventory management: Improve inventory management with tools designed to ensure visibility into inventory—across the supply chain, to meet the demands of the business. Eliminate over-stocking and having expensive capital tied up in unused inventory.



Product and part traceability: Get full visibility to the origins, build specifications and sales destination of products, to be able to easily trace and analyze the source of defects—should they occur.



Reduced time-to-market: SYSPRO improves flexibility, speed, and accuracy in developing customized products, to meet customer demand.

ABOUT SYSPRO



Established in 1978, SYSPRO is an industry-built Enterprise Resource Planning (ERP) solution designed to simplify business complexity for manufacturers and distributors worldwide. SYSPRO provides an end-to-end business solution for optimized cost control, streamlined business processes, improved productivity, and real-time data analysis for comprehensive reporting and decision-making.

What sets SYSPRO apart is an unwavering, sustained focus on the manufacturing and distribution sectors. Combined with a practical approach to technology and a passionate commitment to simplifying business processes, SYSPRO dedicates itself to the success of its partners and customers alike.

SYSPRO is highly scalable and can be deployed either in the cloud, on-premise, or accessed via any mobile device.

NEXT STEPS:

If you want to learn how SYSPRO can help optimize operational performance for metal fabricators, contact us today at info@ca.syspro.com or +1 (888) 259-6666.

