



Manufacturing Tech

Nick Konzel is the owner of Distributed Network Software. Retired from the U.S. Army as a logistician and earning an MIS degree from Penn State, The Behrend College, he has 20 years of executive management experience in manufacturing, distribution and service industries.

Building the Path to Better Profits

Manufacturing is still a major engine in today's economy. The fundamental success factors in this industry remain constant: produce the right products — in the right quantities, at the right time, with good quality, and at a price the customer is willing to pay. However, flexibility and continuous improvements are also imperative.

ERP (enterprise resource planning) is an acronym that represents software that provides information necessary to make your most critical business decisions. Current ERP solutions offer a fully mature financial, analytics and business management system that unifies data and processes across your business, integrating easily with other solutions, and connecting employees, customers and suppliers regardless of time or location. ERP systems provide a real-time view into your key businesses' metrics and actively track the health of your business, in effect serving as a central nervous system to the organization.

By following a few fundamental concepts, local manufacturers can make their technology investments pay off, with little disruption to the business.

Know Your Business

The first step in achieving a successful ERP implementation is to determine the needs of operations, sales, marketing and finance, how they fit into the strategic objectives and budgets, and applying that knowledge to the decision-making process.

Buy a Pair of Trousers That Fit

The most obvious and tangible means to a successful ERP implementation is choosing the right enterprise solution from the outset. You wouldn't buy size 50 trousers if you fit into size 36 — would you? A wise approach would be to look for proven ERP solution built and scaled to meet your specific manufacturing needs and that have the flexibility to upgrade and expand as business needs change and grow.

Prepare (and Rally) the Troops

It is essential to establish open and ongoing communication from inception to completion between all parties, including: corporate management, business partners and/or integrators, system users and the software vendor. Users moving from older, yet familiar or popular off-the-shelf packages such as Microsoft Excel, must learn that ERP software is not a plug-and-play solution, ERP solutions require training and users are likely to exhibit more patience and perseverance if they are included early in the planning phase.

Commit Yourself

The company management or project steering committee should

assess project resource timelines, and then commit sufficient people to be a part of the process throughout its entirety as a part of resource allocation. Ultimately, project involvement in the early phases by employees means having an internal knowledge base of information when it is needed later.

Overcome the Fear Factor

With local manufacturers, change means less about downsizing than it means altering a culture, particularly with long-time employees or family members, a mainstay in the small-business environment. For these people, a new ERP system signifies an adjustment in virtually everything familiar in the day-to-day operations. Inclusion of all users during the planning process alleviates resistance down the road and facilitates participation and creative input. Once it becomes demonstrable that new technology will make many operations and tasks easier, most employees buy in to the initiatives to become enthusiastic supporters.

Do It Right the First Time

In many cases, business processes are performed manually, and current and historical data, which might reside in home-grown or proprietary systems or, in a series of disparate functional applications, all need to be included in an ERP system. The adage "garbage in, garbage out" couldn't apply more directly than to building an ERP system. If the information brought from the old environments is inaccurate in any way, the new system will not be any better and vast amounts of time and money will be required to repair it.

Don't Forget Training

An ERP system is not just a back-office application or a manufacturing distribution tool; it's a business information system that will alter the way the company operates. Adequate training of a new system pays huge dividends in maximizing utilization of its features and functionality, as well as a high level of comfort and confidence on the part of users.

Conclusion

Although a major commitment that utilizes resources, time and money, implementation of ERP software in a manufacturing environment is a worthwhile endeavor. Greater productivity and capacity, more efficient workflow, a reduction in lead times and inventory expenses, lower operating expenses and higher employee satisfaction, and improved customer service have the farthest-reaching and most long-term results. *

For more information on ERPs, contact Nick Konzel at Distributed Network Software at 814/838-5151 or nickk@dnsllc.com.