

By Thomas R. Cutler

## Ask The Expert...

**Q:** My manufacturing firm is becoming more like a distributorship since we outsource more and more of the manufacturing functions overseas. What Enterprise Resource Planning (ERP) software solutions will best serve our dual modes of operation?

**A:** The shift between strictly manufacturing and some combination of manufacturing and distribution is becoming increasingly common. In fact, the same is true with distributors taking on manufacturing functionality as well. The Parksite Group, based in Batavia, Illinois, distributes and markets branded and specialty building products through two business units: Parksite Plunkett-Webster (PPW) and Parksite Surfaces. PPW represents DuPont Tyvek® Weatherization Systems, Trex® Easy Care Decking®, Azek® Trimboards, specialty Cedar, Nichiha Fiber Cement and various other building products. DuPont Corian® and DuPont Zodiaq® are a few of the branded products available through Parksite Surfaces. Until recently the firm had never been engaged in the manufacturing sector, strictly distribution. The employee-owned firm recently acquired a manufacturing company. The decision to purchase the manufacturer was less difficult because there would be less IT exposure because the PRONTO-Xi ERP system (PRONTO North America based in Eden Prairie, MN) allowed them to function in both the manufacturing and distribution sectors. According to Patrick Rogers, Director of IT for The Parksite Group, "We knew that Pronto offered a solid, integrated manufacturing module from our original evaluation. We were concerned about our ability to adapt to and implement the manufacturing capability of Pronto. Although, manufacturers perform distribution functions every day distributors, like Parksite, had no manufacturing experience." Rogers is very satisfied with his decision: "It came down to speed of transaction processing and the products' robust attributes and maturity."

Few systems designs for manufacturers address the following:

- Sophisticated warehouse management system including flexible warehouse layouts, optimized picking paths and intelligent replenishment routines;
- Paperless processing for put away, replenishment, stock takes, transfers and receipts;
- Effective inventory management with

- high visibility of stock on hand;
- EDI messaging gateway for B2B commerce;
- Ability for real-time interfaces to transport carriers.

There are certain key manufacturing characteristic that are distinct from distribution. Some examples include:

- Product Data Management: Item control, Bill of Materials (BOM), routing, work centers, product configurator;
- Shop Floor Control: work orders, planning, production feedback, alternative routings, subcontract operations, costing and GL posting;
- Manufacturing Processes: Make to stock, repetitive, batch, make to order, assemble to order, configure to order;
- Quality Control: Traceability by lot, batch and serial number, laboratory system, conformance certificates.

Most ERP vendors have positioned themselves for a specific manufacturing or distribution application, creating limited market appeal. Just because there is a cross-over occurring in the marketplace does not mean most of these products can achieve the cross-functionality required.

**Q:** How appropriate is it to select vendors and consultants based on proximity? Our manufacturing facility is based in Mason, Ohio and we are skeptical about hiring experts or vendors that are based out of state (or at least out of the Midwest.)

**A:** This is a judgment call; many manufacturers agree local vendors and consultants are absolutely essential to accountability and efficiency. Cincinnati-based Ransohoff used local lean manufacturing experts at TechSolve to help them gain a clearer understanding of their benchmarking techniques and identify opportunities for improvements based on these findings. To accomplish these goals, TechSolve used the PRISSM™ process, an assessment that analyzes the organization through cross-functional interviews, observation, information gathering, and data analysis. Through this process a project was developed which focused on implementing lean manufacturing techniques to Ransohoff's production line. The overall goal was to reduce the price per machine while maintaining profit margins and shortening lead-time. A team approach was employed since the changes involved affected several departments. Ransohoff also selected

ERP software from Cincinnati-based Encompix. According to Jim McEachen, President of Ransohoff, "We invested over six months surveying the marketplace and interviewing potential suppliers of ERP software. We had focused on the specialty suppliers, since our business in Cincinnati is virtually 100% Design and Build to Order, while our business in Jamestown, NY has a mix of both DTO/BTO and standard products. We found Encompix to have the optimum breadth of capabilities to meet our needs. After two site visits, and discussions with several current customers, it made sense to select Encompix,"

Scope and capacity of internal staff is often a consideration for small and mid-size manufacturers to want local help close at hand. Face-to-face, easily-accessed support can provide the immediacy and comfort only afforded by local vendors and suppliers.

That said, with so many communication technologies evolving quickly, webinars and on-line training and support may supersede the requirement for exclusively local vendor relations.

**Q:** How can manufacturers keep producing interesting web-content when no one on staff is a writer?

**A:** This is a real challenge for many manufacturers. Static websites do not engage potential customers and result in lost sales opportunities. Rarely do manufacturers have staff to author white papers, case studies, product reviews, and company updates.

Finding a freelance writer who understands and can write about manufacturing is equally challenging. Some public relations firms with a strong manufacturing client base, such as Cincinnati-based Justice & Young Advertising & Public Relations, have staff resources to help provide web content for clients.

As the founder the Manufacturing Media Consortium™ an organization of 2300 journalists and editors writing about trends in the manufacturing sectors, there has been a dramatic increase in web-content that may be cited and referenced to provide a well-rounded presentation to visitors of manufacturing websites. For more information visit: <http://trcutlerinc.com/content.html>

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