Discrete manufacturing: Take control of your business

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Introduction:
What are the main challenges that Mid-Market companies face today?

It's no secret that midsized companies are looking to eliminate inefficiencies and grow. In fact, global research reveals that growing sales and reducing operating costs are top business priorities for midsized companies across all regions.

Reviving growth is a top priority across all regions, yet 67% of mid-sized businesses recognize that financing new investments is challenging (Sage Business Index 2013). While 55% of SMBs were seeking capital in the past year, 82% were denied by their bank. So reducing operating costs is paramount as it can free up the funding that many businesses are looking for to invest in new projects or product lines. This document will focus on improving control within your business to achieve this.

On top of the challenges that most midsized companies face, the discrete manufacturing industry faces an additional set of challenges due to the constant evolution of the industry and the marketplace. Such as volatile markets where products have shorter life spans, fast moving technical changes across the industry and customers who are becoming more and more demanding.

To meet these challenges companies within the discrete manufacturing industry must engage all stakeholders in the value chain and implement continuous improvement processes such as Lean Manufacturing Success in this area will require a collaborative approach to plan and optimize all components of the supply chain both internally and externally.

With the globalization of supply chains and increasing customer demand for innovation and low cost, discrete manufacturers today need an easy-to-use, flexible business management solution to more effectively manage their business needs from end-to-end.

When considering a new or replacement business management solution, there are key items businesses needs for return on investment:

The wish list includes:

- Support for product-related innovation initiatives while continuing to reduce the time required to introduce new products to the marketplace
- Increase production efficiency and reduce costs company-wide
- Improve inventory management capabilities and efficiencies
- Enhance customer service and support
- Improve internal and external collaboration for greater productivity and efficiency

Addressing the business challenges and the key points listed above is no small task. The benefits of standardization and improved collaboration through an ERP solution are not solely tied to discrete manufacturing, but they do serve as the foundation to the essential ERP capabilities that are required by discrete manufacturers worldwide.

Why is taking back control so important?

As volume increases, many business processes that used to work—no longer do. When finance utilizes one management program, warehouse another, and sales yet another, you lose control over workflows and communication.

To take back control, best-in-class companies rely on modern enterprise resource planning (ERP) software. The right ERP system integrates all information and workflows so your entire company is operating from the same information. You get more done in less time, with better results. That positive momentum brings a wide range of benefits. See below for a sampling of the results you could expect from a well-designed ERP solution

To sustain profitable growth, you must take back control of your business processes.

Get the facts

"89% of midmarket companies without ERP indication cannot track business processes, 86% report inaccurate date, 78% redundant data".*
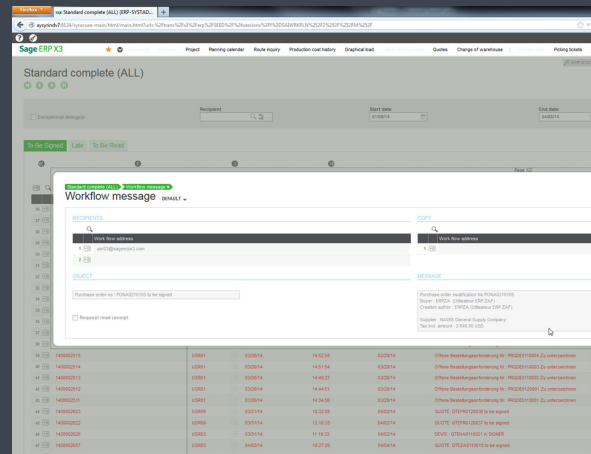
*Analyst Insight "To ERP or Not to ERP in the Midmarket" – The Aberdeen Group – June 2013

What can you control?

Your speed of business

Best-in-class companies perform so well because they use their ERP system to integrate all their business processes into a series of workflows within a single, coherent system. This greatly accelerates the velocity at which information travels, tasks are completed, and customers are served, which has huge impact on productivity and profitability. Improve that velocity with the workflows and alerts built into Sage ERP X3. Setting up automatic triggers and communications makes it much easier to expedite matters while maintaining consistency and quality.
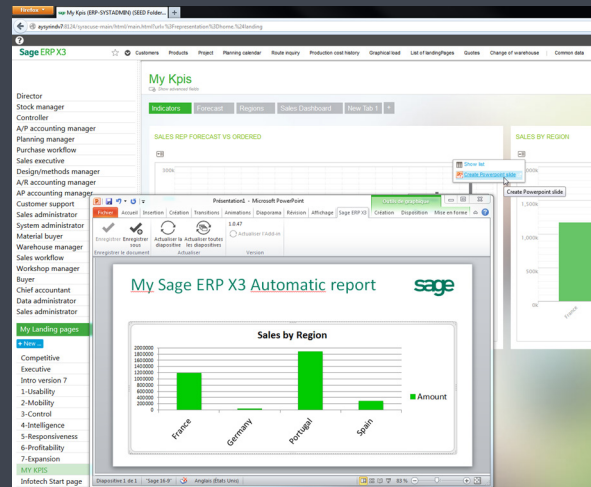
The quality you deliver

Modern ERP systems provide a strong foundation for ensuring quality across your organization. With complex regulations and legislation, fierce competition, and high customer expectations, failures in quality can have devastating consequences. A powerful management solution like Sage ERP X3 allows you to enforce fully integrated quality control processes across your organization that automatically enforce inspections to ensure conformation to required characteristics, operational specifications, or expected results.

Traceability

So many features included in modern ERP systems are designed to ensure things go right. But Sage ERP X3 version 7 also provides complete forward and backward traceability at multiple levels to protect you not if, but when something goes wrong. It is no secret that recalls are very costly; every day, companies lose millions when they lack the ability to trace and audit their products. There is simply too much at stake: Protect your profitability and reputation by ensuring you have the ability to locate any issue, at any point, and take control of the situation immediately.

Collaboration

One of the greatest and most natural benefits of uniting your business with an ERP system is a whole new level of collaboration. Sage ERP X3 version 7 has a completely web-based design that takes this one step further—your team, suppliers, and partners can access the system from any browser or device with secure access. Distance, time zones, or place of business no longer inhibit collaboration. You can even share documents (Word, Excel, and PowerPoint) within your database. When data is modified, numbers can be updated with the click of a button. This is yet another example of how Sage ERP X3 version 7 gives you the control necessary to move forward together.

Operational costs

Much of your profitability is tied to how well you can control your operating costs, particularly as you grow. Staying in control means staying current; to do that, you must always be able to see an accurate view of what is happening in real time. Without a best-in-class ERP system, that is nearly impossible to do. Sage ERP X3 offers a range of intelligence tools to let you monitor performance up to the minute and dig deeper when further analysis is needed. When you need custom reports, save what you would normally spend on specialists; Sage ERP X3 version 7 empowers you with user-friendly tools to customize as many reports as you need

To take back control, best-in-class companies rely on modern enterprise resource planning (ERP) software. The right ERP system integrates all data and processes into one solution, giving you a global view of your business. You get more done in less time, with better results. That positive momentum brings a wide range of benefits to your business.

Get the facts

"Best-in-class companies with ERP are twice as likely as all others to share and integrate data with the extended enterprise, and 83% have integrated business systems that create a complete and auditable system of record."*

* Sector Insight "ERP in Manufacturing" – The Aberdeen Group – July 2013

Control over discrete manufacturing processes: What do you have to gain?

When you have teams of people specializing in various functions, it is natural to slip into silos of both processes and information. But those disconnects cost your business a great deal. To regain control and revive profitability, the right ERP solution can reconnect those teams and streamline workflows so that all departments are working in harmony. There is much to be gained when you can create positive momentum through collaboration and processes designed to ensure quality results.

For sustainable long-term growth, it is imperative to protect that momentum by staying compliant and being prepared to act if issues occur.

Regular review of your processes and easy access to intelligence go a long way in maintaining control of your business. Plus, if you are considering expanding globally, you simply must gain control at each phase of growth to achieve profitable growth.

Whichever stage you are at, however many silos you have, it is time to take back control— of the products and service you provide your customers, of the communication among your team, of the profitability and future of your business. Sage ERP X3 version 7 is ready to help you do all of that and more. See why so many companies choose Sage ERP X3 to help them to do far more than they ever could before.

The advantages of having control over your business

A look at companies that use best-in-class ERP systems vs. those that do not.

Getting new products/services to market quickly

68% of best in class

20% of low performers

Timely and accurate reporting to management

79% of best in class

31% of low performers

Evaluating risk accurately

76% of best in class

30% of low performers

Consistently meeting compliance requirements

85% of best in class

58% of low performers

Reduced time spent on administration and nonproductive tasks

66% of best in class

13% of low performers

Source: Impact of data effectiveness on business outcomes at medium-sized businesses in North America and Europe
- IDG Research Services - Study conducted February 2014

Meeting Industry Best Practices: Customers insights

Sage ERP X3 enables discrete manufactures to stay on top of innovation and reduce time to market, better anticipate customer needs and out-maneuver the competition.

"If you understand the power of data in your business decision making, you'll instantly see the value in this tool. Sage ERP X3 allows companies with vision to realise that vision. It allows us to run a smarter, more strategic business."
Mike DePasquale, Group Enterprise System Manager for Avon Rubber (UK)

"To improve profitability, we needed to reduce our production cycles which could take as long as 6 weeks. With Sage ERP X3, we have now got them down to under 3 weeks. As a result, we have made great strides in productivity and are now as proactive as ever."
Amine Belouali, CIO for 10 Rajeb Corporation (Morocco)

"The implementation of the procurement module of Sage ERP X3 has been of a great benefit to Quatrotec because through this system we have automated the reminders, achieving significant time savings and increased efficiency by integrating stock management, hence ensuring the complete coverage of the sales cycle".
Mario Mateos, General Manager at Quatrotec Electrónica (Spain)

"Sage ERP X3 is a very well structured system which will help us optimizing our processes and make changes"
Jean-Marie Bourguignon, IT Manager, Piercan (France)

"It was important for us to find a system that would allow us to effectively collaborate with our suppliers and provide complete supply chain visibility and control. Sage ERP X3 met our supply chain, customer management, and multi-national requirements, and we were confident that our Sage partnership would result in meeting our business objective of serving our customers better."
Todd Hilde, CEO, Satellite Industries
(Manufacturing and distribution customer in the US with global operations)

"Our business model revolves around delivering the best products at the lowest possible cost to us and our customers. We continually analyze our inventory costs to help us identify areas of waste or loss. Sage ERP X3 fully supports that analysis and the required precision which alerts us immediately when we have an issue to address or problem to solve."
John Deradoorian, president of Allied Metals.
(Mfg. & Dist. customer in US with international operations)

What is Sage ERP X3
for Discrete Manufacturers?

Sages ERP X3 is designed to simply and cost-effectively deliver process-specific functionality equipping your teams with the ability to efficiently fulfill customer orders, control inventory, plan production, and maintain quality.
Feature highlights for Sage ERP X3 for discrete manufacturers include:

- Employ various modes of manufacture (make to stock, make to order, assemble to order and mixed mode)
- BOM Management ensures that the right information is available at all times – improving product quality, productivity and collaboration.
- A configurator, a tool able to build new technical data depending on a script. This tool is also being able to price a configuration in a quote, in a sales order.
- Product Cost Accounting analyzes product costs related to overhead, labor, material, and manufacturing costs.
- Flexible manufacturing capabilities help with meeting the needs of the marketplace.
- Improve efficiencies throughout the planning and scheduling process to better assess demand.
- Project Management organizes from quote to production following a budgetary structure and scheduling.
- Proactively identify and address potential quality issues and limit negative impacts to brand and bottom line with integrated traceability.
- Subcontracting management allows the outsourcing of all or part of production, from simple assemblies to complex creations.
- Integrated quality control management to ensure the quality of raw materials to finished good – and everything in between.
- Reduce complexity and achieve transparency between business units as information is stored in the same database.
- Manage multiple company units, national and international, within one data structure.
- Oversee records maintenance with Electronic Document Management (EDM).

- Integration with Electronic Data Interchange (EDI) solution.
- Combining advanced functionality, complete data integration, an efficient workflow engine, and user-friendly business and reporting tools, Sage ERP X3 enables the integration of all your company's information and business processes from manufacture to finance.
- Sage ERP X3 can handle different production methods, according to your business product strategy, from batch or process production, through to project based or discrete manufacturing. Running your whole business within one software system and on one database gives you real-time control over all activities in your enterprise, supporting decision making in every area.
- The workflow engine helps you keep processes flowing by automating communication in line with your organisational structure. Manage the whole process flow through stock functions, sales and purchasing to logistics, and ensure full and secure traceability across your entire supply chain
- While Sage ERP X3 comes ready to use with many business processes as standard, you can also customise each function to work exactly the way you need it to, providing staff with efficient tools to match their needs.
- You can also create user-defined dashboards for individual users. These provide actionable, up-to-the-minute graphical representations of key statistical information, helping your staff respond to business needs.
- A platform for growth, at home and internationally. Whether you are currently managing a global business or simply want to be prepared for international expansion, Sage ERP X3 is designed for the global economy.
- Sharing common data and processes between different overseas sites or subsidiaries, while respecting their own specific usages and business rules, Sage ERP X3 supports multiple languages, currencies, companies, sites, and legislation.

Summary of benefits

Innovate and reduce time to market: Strong competition among manufacturing companies creates pressure to get new products to market faster and at the lowest possible cost. But these companies also need to deliver high-quality products to the market, on time. Starting from design all the way to after sales care, the availability of comprehensive product information helps companies make decisions and can close any information gaps between different departments.

Increase production efficiency and reduce costs: More than ever, the discrete manufacturers have to automate the key manufacturing process in order to effectively improve their performance. They must eliminate high levels of inventory and reduce the labor costs. An ERP solution enables businesses to align their processes accordingly and to be constantly proactive, profitable and demand-driven.

Improve inventory management: balancing inventory carrying costs with lost sales due to stockouts is an ongoing challenge. For many manufacturers, the cost of inventory is a significant expense. This is offset by the loss of sales, internal conflict, and poor customer experiences that running out of inventory causes. Add to these conflicting priorities the significant amount of time invested in inventory forecasting and the need for powerful ERP solution is evident.

Enhance customer service: Having satisfied customers is essential to being successful. The optimization of the sales order and the logistics processes play a critical role in improving service and overall customer satisfaction. The customer management integrated into the ERP solution provides a single source of customer information enabling to get visibility across its operations in order to be reactive in sync with the customers' changing requirements.

Improve internal and external collaboration: Discrete manufacturers must have a strong culture of collaboration and customer focus, enabling producers to be close to customers and better able to understand their needs and requirements. To meet today's challenges, the manufacturer must engage a collaborative approach in order to better anticipate and optimize all components of the supply chain for both internal and external processes. This leads to increase the innovation and to optimize the manufacturing processes, supply and production in order to deliver products on time.

Take control of your business

Eliminate inefficiencies, ensure compliance, and streamline operations with end-to-end integration of your business processes and automated workflow - take back control of your business.

Whichever stage you and your business are at, whether you are growing or refining processes, it's time to take back control of the products and service you provide your customers, of the communication among your team, of the profitability and future of your business. Sage ERP X3 version 7 is ready to help you do all of that and more.

See why so many companies feel Sage ERP X3 has enabled them to do far more than they ever could before, and read more on how you too can take control of your business on our website – **www.sage ERPX3.com**

About the Sage Group plc

We provide small and medium-sized organizations with a range of easy-to-use, secure, and efficient business management software and services—from accounting and payroll to enterprise resource planning, customer relationship management, and payments.

Our customers receive continuous advice and support through our global network of local experts to help them solve their business problems, giving them the confidence to achieve their business ambitions. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and entered the FTSE 100 in 1999. Sage has over 6 million customers and more than 12,700 employees in 24 countries covering the UK & Ireland, mainland Europe, North America, South Africa, Australia, Asia, and Brazil.

For further information please visit: Sage.com

Sage ERP X3

Sage ERP X3 is Sage Group's global ERP solution for mid-sized companies and subsidiaries of large groups with international demands.

For over 10 years Sage ERP X3 has been a proven and comprehensive ERP solution addressing mid-market companies' specific requirements and challenges in industries from manufacturing and services, to distribution and many more. 4,500 customers in 100 countries worldwide have chosen Sage ERP X3 because helps companies grow forward with faster, simpler and flexible ERP.

For further information, please visit www.sageerpx3.com

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