

Creating Efficiency:

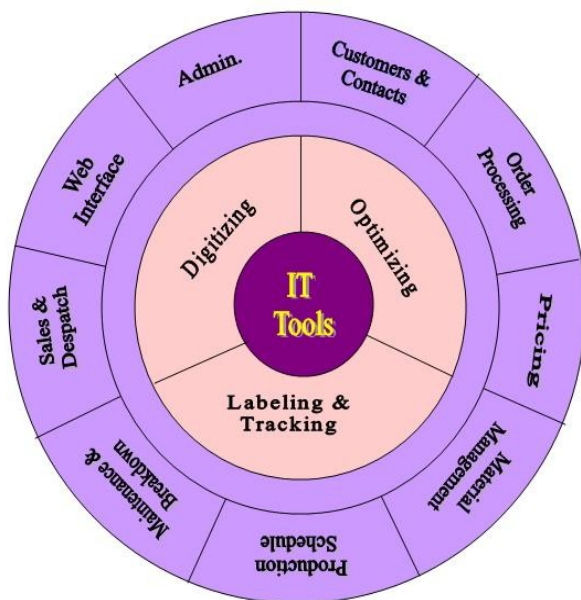
Software for Glass Processors – Part 2

Whether you are an established player or an emerging leader, in the current economic crisis with consumers cutting spending one thing is clear. To survive we have to rethink the way we conduct business, as doing what we have always done will no longer get us “what we always got”.

This series covers different categories of software solutions available, not only help to keep pace with growth, but also to be a step ahead of competition.

Introduction

In the last article, we discussed about the problems faced by the Indian Glass Processors and Fabricators and their business requirements. We discussed the need for various IT Solutions like Glass Optimization, Digitizing, Integrated Resource Planning, Labeling and Tracking solutions.



We now focus on a few business requirements:

- Systems to handle basic business functions – customer management, sales order processing, inventory, purchase, production planning, interfacing with accounting and invoicing.
- Handle the information requirements of the customer and management.
- Support customized and personalized product requirements of the customer

In this article, we shall discuss the common problem areas and how an **Integrated MRP Solution** can handle a range of business functions, and benefits it provides.

Problems:

As businesses grow, processes evolve independently. For example, a production department uses an Excel spreadsheet to track orders through the various stages of manufacture, but this will not talk to sales, stores or dispatch, each of which have their own system. This results in the following problems:

- Duplicate data entry (possibility of errors)
- No information available between departments.
- Reporting involves collating data across departments, hence is difficult.
- Inventory losses: in the absence of an accurate forecast, companies have to overstock, tying up significant amounts of cash.

In essence the management cannot take informed decisions.

Solution:

The **Integrated MRP** (Material Resource Planning) software could be summed up as: - “database software that combines all the needed functions of every application an organization requires for manufacturing and integrates them together”. All departments that are involved in operations or production are integrated in one system.

The **Integrated MRP**, takes ownership of the data from the quotation stage, sales, work order, production including stores (goods in/out) and through to dispatch. As an order progresses through each stage of the production, updates to the system are immediately accessible across departments.

Once orders have been dispatched the MRP system can pass over data to the accounting system for collection, processing and logistics system for delivery.

Benefits of Integrated Solution

The major benefits accruing due to an integrated solution are given below:

1. Comprehensive access to relevant information across the organization, both to management and customers.
2. Reduced inventory carrying costs resulting from requirements known beforehand.

3. Reduced operating costs - lower selling cost, lower inventory costs etc.
4. Reduce redundant data entry and processes
5. Enables quick response to change in business operations and market conditions
6. Better managerial control and decision making.

People resist change, so the management has to motivate and guide the staff about the need and benefits, for a successful MRP implementation.

Areas Covered in Integrated MRP

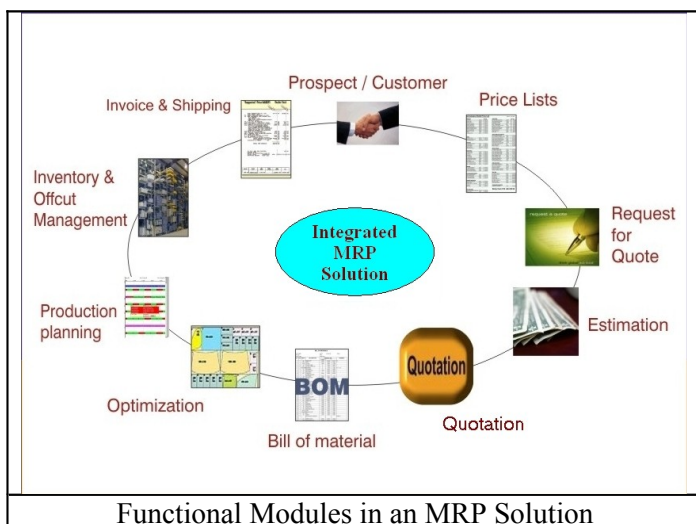
These solutions are generally modular, i.e., individual modules have the provision to be linked to other modules seamlessly and can be added as required. The minimal modules recommended are:

1. Materials Management
2. Contacts and Customer Management
3. Pricing
4. Sales Order Processing
5. Production Planning

Further, the following modules would add value to the solution:

1. Maintenance & Breakdown
2. Invoicing and Dispatch
3. Web Interface

Let us take a look at each in greater detail, to understand the functions covered and its interplay with other modules.



Materials Management

Inventory module facilitates processes of maintaining the appropriate level of stock in a warehouse. The activity of inventory control involves monitoring item usage, reconciling the inventory balances, and reporting inventory status. For the Glass industry, **Offcut management system** (to keep track of generated offcuts and their location) is an important component of this module. This has to be complemented with proper storage (Racking) system and can be linked to Bar Coded Labeling software for identification and tracking. The procurement department knows the exact requirements, which helps them to regulate the purchase of raw material. Thus excessive stocking of material is avoided, leading to lower inventory carrying costs. The last purchase price as well as the lead time to deliver is known, allowing the department to plan purchase of raw material and other necessary accessories.

Contacts and Customer Management:

Contacts Management module helps to keep track of the names and addresses of everyone the enterprise has dealings with. Most of these names and addresses are leads or prospects from Sales & Marketing, apart from Customers & Suppliers. Also, this module keeps track of every meeting anyone from the enterprise has with the contact including meetings scheduled for the future. Every user can be provided with an Organizer, which helps organize his interaction with prospects or customers and maintains records of mails, meetings and discussions. Mailing and Sales campaign can also be launched making the prospects and customers aware of new launches, enhancements to the product, special offers, etc.

Sales Order Processing

Glass processors & Fabricators generally provide products customized to meet customer needs. The process starts with a Request for Quote (RFQ) mostly with drawings; an Estimate / Quote is prepared and then gets converted into a Sales Order and Bills of Material (BOM). The software should be interfaced with **Optimization solutions** so that it helps in accurate estimation of material requirements. Another important constituent of this module is the Bill of Materials (BOM) to lists the raw materials, quantity and parts that are required to manufacture a product. BOM can also include the quantity of operations (cutting, grinding, laminating, toughening, etc.). The sales history of any customer with the order details are known to the salesman, which helps while negotiating the price as well as providing customized services to the customer. With inputs from the production planning module the

sales team can track the status of any order at any given time.

Pricing

This module maintains multiple price lists based on:

- Product attributes
- Pricing formula
- Multiple customer groups apart from base price

This gives flexibility to price a product differently to different customers. Also, it restricts the salesman to the price band beyond which, he cannot set the prices. Pricing based on attributes will be more accurately priced, while the pricing formula helps to price a product on different basis for different customer groups. For example, the pricing for cutouts could be set to lump-sum for a customer group, while it could be priced on complexity for other customer groups.

Next Article:

In the next article, we look at other modules and at the prerequisites for selecting and deploying these solutions. We also will take a look at the criteria for selecting a system, along with some commercial solutions available. (See box alongside).

PLUS Glass Manager

Order Processing and Inventory Management Software for Glass Processors and Fabricators

This software helps in estimation, quick preparation of quotes and inventory maintenance.

- Provides for multiple price lists like dealer, retail, standard, customer, etc.
- Regenerates estimates with changes in parameters
- Integrated Inventory to track stocks and offcuts
- Gives the stock position and material requirement
- Customer and contacts management
- Extensive summary and detailed reports
- Interface to PLUS 2D – Glass Optimization

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