5 BENEFITS OF SAGE 200 FOR MANUFACTURING

Enterprise Resource Planning

Paradise
I.T. For Business

WHAT IS ERP?

Enterprise Resource Planning (ERP) is used to manage and integrate your main business processes using one single business management software system.

ERP systems can integrate finance, planning, purchasing inventory, sales, marketing, human resources and more, to streamline processes across your whole organisation.

Most small and mid-sized manufacturing companies already use some form of Enterprise Resource Planning (ERP) systems. This can range from using production software that produces information that is imported or re-keyed into accounting software or an integrated single system that supports daily operations and also feeds into accounts.

In recent years, the relentless march of innovative IT and the associated increase in customer expectations have led to many manufacturers stretching and supplementing their systems with manual operations, typically involving acres of spreadsheets. Here we examine these changes and how they could be better addressed.

1. INTEGRATION

'ERP' was a term coined in the 1990s to describe the vision of software that included all aspects of a business in a single product. This meant Material and Resource Planning, Production Systems and Accounts all working together.

The practical benefits of such a system were profound – doing away with re-keying or importing information from one system to another with the associated risks of error, together with the opportunity provided by a single pool of data to report on the entire business – in real-time as business occurred and without the conflicting information so often seen when there are 'different versions of the truth' depending on which software product was being interrogated.

The goal of having a seamless end-to-end computer system is to enter each transaction only once and move through to invoice and settlement as smoothly as possible. This has been the holy grail of manufacturing IT systems for a long time, but it is only recently that this has been realised with modern systems such as the mid-market **Sage 200 Professional**, offering a sound financial base, onto which an impressive number of modules can be added to address all facets of manufacturing.

An integrated ERP for manufacturing at a sensible cost is now a realisable goal.

KEY BENEFITS OF ERP

- Increased Productivity & Mobility
- Improved Order and Inventory Management
- Reduction of Errors and Duplication

IMPROVED REPORTING & PLANNING

A key advantage of ERP is improved visibility, which brings better insight. Inter-departmental reporting can be unified, creating a single accurate view of your whole organisation.

It is clear that IT for manufacturing has changed a great deal over the past few years, especially with additional benefits such as the increased stability, reliably and availability of cloud-based software and the vastly improved opportunities for management reporting.

Imagine instantly being able to schedule anticipated resource, based on historic data as well as detailed and accurate cost and profitability analysis by company, contract, vehicle and operator.

2. SOPHISTICATED MANUFACTURING

Most accounting systems contain a module for stock control. Taking the mid-market **Sage 200** as a yardstick, we see a sophisticated stock control system capable of an impressive array of functions:

- Tracking stock levels in multiple locations (e.g. warehouses) and sub-locations (e.g. racks)
- Transparently converting from one unit to another when buying, stocking or issuing/selling, such as 'rolls' to 'metres'
- Applying batch or serial numbers to specific stock for traceability
- Handling multiple suppliers for stock items including maintaining different pricing and stock-codes for each supplier
- Bill of Materials (BOM)
- Allowing stock items to be defined as collections or other stock items
- Allows the addition of labour per plant operations with costs to assemble
- Includes the rolling up of component and assembly cost to provide real cost
- Includes options to 'trial build' to ascertain how many final products can be produced with the component stock on hand

This provides all the tools required for many manufacturing requirements and is often sufficient for a company looking for an integrated ERP.

POINTS OF INTEREST

- Rolling out handheld tech to delivery drivers is now a practical option
- Moving away from manual processes will modernise your warehouse, save time and money, and enable you to offer a better customer service

SPECIALIST ADD-ONS

There are also additional plug-in modules for **Sage 200**, such as the excellent Manufacturing suite from Sicon, which adds to the solid functionality already present:

- Sophisticated Materials Resource Planning (MRP) allowing prediction of component stock required to maximise efficiency and cut excess-stock costs
- A job-costing module to wrap complex manufacturing within a specific Profit and Loss analysis for that project alone – achieved without the need to duplicate-enter any transactions
- Provide resource scheduling and capacity planning with an interactive planning tools
- Provide Works Order Processing (WOP) allowing one-off BOM variations for more bespoke manufacturing, as well as handling sub-contracted operations required to build the final product
- Estimation module
- Labour timesheet recording to allow piece-work and day-work analysis and potential payment mechanisms

By making use of some or all of these add-ons, it is possible to define even the most complex manufacturing process within the **Sage 200** environment, delivering on the promise of ERP without the need for huge investment.

3. SHOP FLOOR DATA CAPTURE

Many manufacturing processes have historically involved paper-based build-sheets instructing shop-floor operators on the processes and volumes required. Although computers have been present on the shop floor in the guise of CNC machines or automated production lines, these still often involved paper-based controls for calling off runs and for operations like quality control.

Sticking with our **Sage 200** example, it is becoming increasingly cost-effective to replace these paper controls with shop-floor terminals. This allows operators to be given scheduled work, for them to record progress through the production process. In turn, stock control is updated automatically, incrementing finished goods stock levels as the manufacture progresses, while at the same time recording who is doing what from a labour accountability point of view. Barcoded products also add to the effectiveness of such solutions.

This approach provides a wide range of potential benefits, including:
- Real-time view of finished product levels
- Opportunity to analyse production steps to identify bottlenecks
- Increasing popularity of placing wall-screens in production areas to encourage goal setting and achievement rewards

Shop floor data capture, previously seen as too expensive, is now a practical option even for smaller manufacturers.

POINTS OF INTEREST

- Rolling out handheld tech to delivery drivers is now a practical option
- Moving away from manual processes will modernise your factory, save time and money, and enable you to offer a better customer service

Discover True Business Freedom
Run a smarter, faster and more connected business. Ensure the reliable quality your customers demand while minimising risk with Sage 200.
Scan or click here to find out more.

The Modern Workplace Has Evolved
Everything in an organisation is interconnected. By re-architecting how we work, we have transformed our workplace environment, creating a resilient business model. Scan or click here to watch the video.

TOTAL VISABILITY

ACCESS YOUR DATA FROM ANYWHERE, AT ANYTIME

4. COMMUNICATIONS

Electronic Data Interchange (EDI) has been around since the 1970s and is the standard shorthand for data being exchanged between trading partners. EDI can be just customer orders and invoices, or expanded to involve pre-advices of expected future orders, reports of stock levels available and a long list of additional functions.

Historically, such systems were tricky and expensive, often limited to archaic standard formats like 'EDIFACT' and 'Tradercomms9', requiring specialised 'mailboxes' to act as communication mediums between parties. Now however, life in this area has got a lot easier.
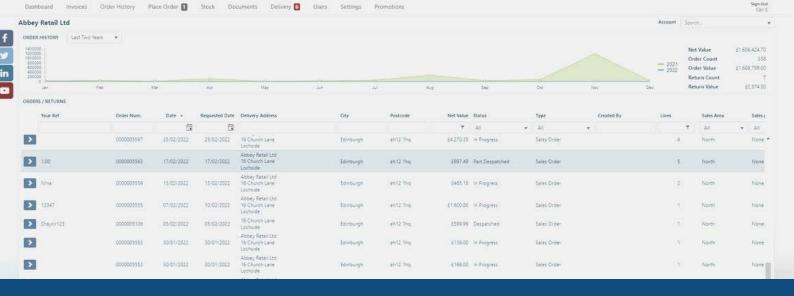
Most organisations can accept EDI in a range of formats, including the standard EDI formats and modern IT formats like XML and JSON, as well as the ubiquitous CSV text file. With increased to the internet, message transport is much simpler, typically being just a shared folder on a server known as an FTP site, to which files can be read or written without the need for any specialised software.

Although some companies still supply a whole EDI package, the same end can now be achieved by adding basic inputs and outputs to a standard ERP system. For example, accepting orders from a customer as EDI files, that immediately appear as fully-entered sales orders in **Sage 200**, would only require a budget of under £5,000 and with no ongoing running or licence costs.

EDI is no longer an expensive and complex commitment to connect your customers, suppliers and logistics.

POINTS OF INTEREST

- EDI is no longer an expensive and complex commitment
- Driving a simple EDI from Sage 200 to a specific warehouse could be under £5k, with no ongoing running or licence costs

Abbey Retail Ltd

Account   Search...

ORDER HISTORY   Last Two Years

			Net Value	£1,606,424.70
			Order Count	358
			Order Value	£1,608,799.00
			Return Count	7
			Return Value	£2,374.30

ORDERS / RETURNS

	Your Ref	Order Num.	Date	Requested Date	Delivery Address	City	Postcode	Net Value	Status	Type	Created By	Lines	Sales Area	Sales
									All	All			All	All
>		0000005567	25/02/2022	25/02/2022	16 Church Lane Lochside	Edinburgh	eh12 1hq	£4,270.35	In Progress	Sales Order		4	North	None
>	1.00	0000005563	17/02/2022	17/02/2022	Abbey Retail Ltd 16 Church Lane Lochside	Edinburgh	eh12 1hq	£997.49	Part Despatched	Sales Order		5	North	None
>	Nina	0000005559	13/02/2022	13/02/2022	Abbey Retail Ltd 16 Church Lane Lochside	Edinburgh	eh12 1hq	£465.18	In Progress	Sales Order		2	North	None
>	12347	0000005555	07/02/2022	10/02/2022	Abbey Retail Ltd 16 Church Lane Lochside	Edinburgh	eh12 1hq	£1,600.00	In Progress	Sales Order		1	North	None
>	Draycir123	0000005106	05/02/2022	05/02/2022	16 Church Lane Lochside	Edinburgh	eh12 1hq	£599.96	Despatched	Sales Order		1	North	None
>		0000005553	30/01/2022	30/01/2022	Abbey Retail Ltd 16 Church Lane Lochside	Edinburgh	eh12 1hq	£156.00	In Progress	Sales Order		1	North	None
>		0000005552	30/01/2022	30/01/2022	Abbey Retail Ltd 16 Church Lane Lochside	Edinburgh	eh12 1hq	£166.00	In Progress	Sales Order		1	North	None

5. CUSTOMER UPDATES

One of the biggest changes driving the industry is probably customer expectations. Whether delivering to consumers across the country, or providing complex manufactured product to a valued customer, the need to communicate rapidly and comprehensively with the pick-up and delivery points has never been so important. This is now more achievable with modern ERP using two basic tools:

- **Event-driven communications**: these are typically emails or texts (or both) that are auto-generated when specific things happen. For example, when an order is placed, an acknowledgement is sent to the consumer. This can be followed by subsequent notifications when the order is being built, picked, then despatched, potentially with an expected delivery time and finally with a confirmation of delivery, including a link to the Proof of Delivery (POD). Far from being complex, such mechanisms can be achieved with ease.

- **Tracking**: providing self serve access to customers allowing them to track the progression of their order and view expected delivery information. This portal can display a history of previous orders and also the proof-of-delivery information which cuts down on calls to administration staff as the customer can self-service these needs. This is probably the newest of the ERP technologies being implemented now, but that does not make it an expensive option. For example, the clean and simple Draycir Spindle Self Serve add-on for **Sage 200** provides this functionality for a low monthly fee, including access by any number of customers. Running an ERP system keeps your trading partners updated on their deliveries in real-time.

WHAT CUSTOMERS WANT

- 84% say that the experience a company provides is as important as its products and services
- 75% say they expect companies to use technology to create better experiences
- 68% would rather use self-service channels, like customer portals, to find information

Source: State of the Connected Customer

"RUN A SMARTER, FASTER, MORE CONNECTED BUSINESS."

POINTS TO CONSIDER

Digital advances are changing the modern workplace. Any company not paying close attention to the benefits of moving to an agile ERP solution will inevitably be left behind.

We have used **Sage 200 Professional** as a yardstick because it demonstrates the ease in which the topics discussed can be implemented. If Sage 200 is deployed on a cloud platform, integrated with a powerful and flexible management reporting system, it guarantees the ability to deliver on all the above, yet at less than 10% of the cost of legacy systems just 15 years ago.

Paradise
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sage | Strategic Partner

Microsoft Partner | Gold Cloud Platform
Silver Small and Midmarket Cloud Solutions
Silver Application Development
Silver Datacenter

Embracing a modern agile workplace

Since 1987, we have been providing innovative IT solutions to growing companies like yours.

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1 PEDIGREE FARM, ALTHORP ESTATE, NORTHAMPTON NN7 4HE