Tracking Your Fasteners

by:

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My Software is Fine... Why Change?

So you have an ERP system that has served you well for 20 or 30 years. If it ain't broke, don't fix it, right?

Change Happens Fast

Today, the average life span of a new computer, from first release to discontinuance, is 18 months. Each time a replacement model comes out, it is four times as powerful, and it has four times the capacity of the computer that it replaced. Software is developing at a similar pace. Are you sure that your 20-year-old system is satisfying the needs that you should be addressing today? Or does it have you mired in the past?

Think of It as a Truck

Would you keep a truck for 20 or 30 years? Wouldn't the maintenance and the obvious improvements in the newer models compel you to upgrade? Then why would you keep the old computer system for that long? The disadvantages of using the old computer system are much worse than using the old truck. They are just not as obvious.

New System Advantages

The new computer software and hardware are capable of integrating and automating many areas of your business that the older systems would never be able to handle. Each of these additional capabilities can have a profound effect on the efficiency of your business. Together, the overall effect can be revolutionary.

Take a Look Around

Take a fresh look at your present methods of doing business and ask yourself if there are redundancies or manual processes that could be simplified or eliminated by a new system. Every time one of your employees has to enter information a second time, he or she is not only wasting time, but also introducing the possibility of error. The way the marketplace is today, you no longer have the luxury of being able to make mistakes and get away with it. Simple tasks done wrong or forgotten can get you in real trouble.

Pricing Mistakes

If you don't have a system that will show you specifically what that customer paid last time, when it was bought, how many were bought and how often, you are running the risk of quoting a wrong price. In the fastener business, prices vary considerably from customer to customer, so that a pricing mistake could cause the customer to begin to get quotes on every order. Worse yet, you could lose the customer altogether.

Product Identification Mistakes

It is often the simple things that can trip you up. If your software doesn't automatically apply the customer part number to the customer package label, the packing slip and the invoice, an employee has to get that right every time. If your employee makes a mistake, the customer won't be able to receive the product and you will end up with a complaint or worse yet, you will be written up for noncompliance in the customer's quality assurance system. This is a sure path to doom.

Inventory Management Mistakes

A modern computer system can automate many of the functions of your purchasing process. A properly designed Automatic Replenishment System can "scrub" your data and discover what parts need to be ordered. The system can look at past usage, present outstanding sales orders and purchase orders and based on your stocking objective and lead time, it can actually create the needed documents. Commodity products that are ordered from a number of sources go on to a request for quote (RFQ) to each of the potential vendors for that class of products. Branded products or products that you order from a specific vendor, can be automatically placed on a purchase order. Products that require plating, kitting or other secondary processes can be placed on a processing purchase order (PPO). The system can then examine the component parts and create RFQs, POs or PPOs for them as well if needed.

Document Handling Time & Errors

Look at your file cabinets. They are not only a waste of space, but they are an extremely inefficient way to store valuable information. **Cameron Amberg & Co.** was established in 1868 and made its first Cabinet Letter Files in 1875, when the company won an award from the **American Institute**. The metal devices in some of its drawers bear an 1878 patent date. They were "state-of-the-art" in their time, but perhaps they are not the best way to store information now.

A modern ERP system can capture your in-bound faxes and automatically attach them to customers and vendors. Certifications, drawings and other important documents can be scanned into the system and automatically attached to lot control records, products, purchase orders, etc. They never have to actually be filed and they are always at your fingertips when you need them. Your customer service improves while your cost to do business goes down.

Maybe It is Broke

These are just a few of the significant advantages of implementing a new ERP system. If you examine how much time is spent on just these activities in your company, you may decide that your old system is, in fact, broke.

Dennis, R. Cowhey, CEO – Started **Computer Insights** in 1981. He served for many years on the **Illinois CPA Society Computer Information Systems Committee**. He is a frequent author of articles for industry trade magazines. Before starting Computer Insights, he served as Central District Manager for a division of **Litton Industries** (now part of **Rockwell**), that offered inventory control systems to retailers. Prior to that, he was a Credit and Financial Analyst for National Credit Office division of **Dun & Bradstreet, Inc**. Cowhey received his education at **Chicago City College** and **DePaul University**.

Computer Insights provides the fastener industry with The BUSINESS EDGE 2.0 software for efficient tracking of fasteners.