



# How To Choose A Right-sized Manufacturing System

Issue #1

What Do You Want To Accomplish?

**About the author.** David Brown began his professional career in 1972 with Prime Computer, Inc. where he designed peripheral interface equipment with particular focus on manufacturing and testing issues. In 1977 Mr. Brown left Prime to develop manufacturing control software targeted to small- to medium-sized manufacturing firms. Brown and his associates first produced the MISys Manufacturing System for proprietary microprocessor-based computers and then in 1985 ported the software to the IBM PC running MS-DOS. The MISys system was soon integrated with Accpac, a PC-based accounting system now owned by Sage Software, Inc. and marketed as Sage Accpac ERP. The MISys manufacturing and the Accpac accounting software has been co-marketed successfully for over 20 years and has 7,000 installations worldwide. In 2007 Manufacturing Information Systems (MISys) released a new Microsoft .NET version of its software which continues to work with Accpac and also integrates with a number of popular small business accounting products. Today MISys has strategic relationships with Sage (the makers of Accpac ERP, Peachtree Quantum, and Simply Accounting) as well as Intuit (the makers of QuickBooks). Mr. Brown frequently writes on the subject of manufacturing control best practices for small businesses and is a popular speaker at trade shows as well as manufacturing and accounting conferences.

**About this series.** This series of whitepapers is intended to help owners and managers of small- to medium-sized manufacturing firms choose a manufacturing software system that is sized right for the needs of their company. Mr. Brown notes “In our 20+ years as developers and installers of software for small- to medium-sized manufacturing firms, we’ve learned a lot about what works (and doesn’t work) for companies of all shapes and sizes. In this series of whitepapers we’ve tried to distill the key elements of what has proved to be successful – with fair warning about certain pitfalls into which the uninitiated are likely to fall.”

While writing these whitepapers, the author (who is usually involved in the sales and marketing of a specific software product) has remained as objective as possible, sticking to broad topics and specific elements related to the acquisition of manufacturing software in general, and carefully avoiding reference to any specific product.

**About this issue.** This issue of [How To Choose A Right-sized Manufacturing System](#) explores the first great conversation you should have with yourself, your accountant, or your computer consultant in the process of finding a manufacturing control system that will fit your needs and budget.

## **The First Question: What Do I Want To Accomplish?**

If you are like a lot of people, your first inquiry into the world of manufacturing software will likely be prompted by reading a whitepaper or magazine article entitled something like “Double Your Profits By Going Lean” or “Get Total Control of Your Manufacturing In Just 60 Days” discussing some esoteric subject of manufacturing control. Attention grabbing headlines such as these are the darlings of editors bent on propping up subscriptions. But, as you might expect, they never tell the whole story.

If you have a good relationship with your accountant or computer consultant, he or she may be the first to call you by saying “I read this article...I think we should look into getting some manufacturing software.” The accountant or consultant may have done some quick search of the Internet and have the names of a number of products they want you to investigate further. Product literature and online demos are readily available in this wired age.

My recommendation at this point is to adopt a “go slow” approach and invite the consultant in for a discussion of your perceived needs and desired benefits. If the consultant is willing to offer free advice, then you should accept it.

When the meeting takes place, your consultant will likely plunk a handful of literature down on your desk and tell you about the one product he or she thinks looks most appealing. Rarely will the consultant come to the meeting with an unbiased point of view – or pose the most important question of all: “So, what do you want to accomplish by implementing a computerized manufacturing control system?”

Many software developers rely on the influence of accountants and consultants in order to generate sales. Even if there is no business relationship between the consultant and the software firm, expect your consultant to exclaim about some whiz-bang feature they saw in an online demo. The “go slow” part of this phase of your inquiry keeps pointing back to “exactly how will that feature affect my business.”

Whether or not the consultant is successful in transferring their unbridled enthusiasm to you, the bottom line for your business is finding ways to increase the effectiveness and profitability of your manufacturing operation. It is time to put the literature aside and ask the hard question over and over again “So, what do I want to accomplish by implementing a computerized manufacturing control system?”

Don't be satisfied with sweeping generalities such as “control my inventory” or “computerize my bills of material” or “get a bar coding system.” You must compile a very specific list of objectives – ones that can be accomplished in the context of the resources available to you.

A common objective, and a very achievable one, is to reduce your inventory holding costs by 20%. If you are sitting on an inventory of raw materials and WIP worth, say, \$10,000 then shaving off 20% of that is only going to net you \$2,000. At that rate, you'll need several years to pay off a manufacturing software system costing \$5,000.

On the other hand, if your inventory is worth closer to \$1M, then paying \$10,000 to reduce your inventory holding costs 20% is something you should have done yesterday!

## **Finding a “Right-sized” Solution**

In the marketplace you will be able to find manufacturing software that costs just a few hundred dollars, manufacturing software that costs thousands of dollars, and manufacturing software that costs hundreds of thousands of dollars.

Is there a solution that fits both your needs and your budget? Most certainly, but finding it may require no small effort digging through piles of brochures and product demonstrations.

A few years back, I was a guest at a major manufacturing trade show sponsored by APICS (the American Production and Inventory Control Society) where, in addition to makers of stamping machines, roller bearings, conveyor belts, and thousands of other hard goods, over 400 manufacturing software vendors exhibited their wares. While it was an interesting experience, I would definitely not recommend that you rely on such an event to help you find the right manufacturing system.

Then how do you recognize a right-sized system? Well, in general, you get what you pay for. Low cost software is often authored by small companies with just one or two programmers and support personnel. The makers of big, expensive manufacturing software will fly in their team of sales engineers, systems analysts, and support personnel. Somewhere between these extremes is a company and a software product that is right for your firm.

In the articles that follow, we'll be examining many of the issues that should be carefully considered before you make a commitment of time and money to any manufacturing software.

You will find this issue of the series [How To Choose A Right-sized Manufacturing System](#) and others posted on the MISys website at

<http://www.misysinc.com/index.php?source=CHOOSE01>. It's good to have you with us!