Six Reasons Why Manufacturing Systems Fail

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Manufacturers can achieve a number of business goals by investing in cost-effective, end-to-end solutions that are simple to implement and use. With that being said, things can (and do) go wrong. Here are six reasons why manufacturing systems fail:

1.) A faulty inventory item numbering scheme.

Consider a company that has two sources for chips. Even though each supplier has its own part number for the item, the company didn’t map out its own part numbering scheme properly. As a result, the item appears to be out of stock, even though there are still chips on hand from the other supplier.

There’s a right and a wrong way to set up inventory control when you have more than one supplier. If the program you’re using doesn’t have multiple supplier capabilities, you won’t be able to properly set up inventory control to reflect this. Make sure the system you are considering maintains a cross-reference between your internal part number and each supplier’s part number.

2.) Insufficient control of content for bills of material.

Every bill of material (BOM) needs to be entered correctly from the start, based on specifications received from engineering. Even if the BOM has all of the right components in theory, some times in practice, quantities aren’t exactly what they need to be, and then people on the shop floor start to personalize as they assemble.

It’s critical that engineering and manufacturing communicate effectively over the correct structure of BOMs and that only qualified people are keeping BOMs up to date. Regardless of the size of your manufacturing operation, a robust security system will restrict unqualified people from using certain critical functions of the software.

3.) Inaccurate inventory on hand.

One of the benefits of an integrated solution is that you eliminate redundancies in your system. One of the drawbacks is that errors can be compounded. If your inventory on hand is miscounted from the start, the error will repeat itself throughout your system. And the last thing you want is to be forced to close down for several days to do a physical inventory in order to identify discrepancies and reset your on-hand quantities.

Manufacturing systems that offer “net-change” physical inventory functions will make it easy to correct stock counts without having to halt production activities.

4.) Lack of agreement between engineering and manufacturing.

Before implementing any system, it is absolutely essential that you reach an agreement between engineering and manufacturing on your goals, and how you’re going to get there. It doesn’t matter how sophisticated your software is if you don’t have appropriate buy-in from these two departments.

Work with your consultant to develop a thorough implementation plan. Make sure everyone in engineering, manufacturing and management signs off on the plan before you begin installing software.

5.) Unrealistic expectations of what the system will be able to accomplish.

Know exactly what you want to accomplish with your new system. You wouldn’t buy a Chevrolet to travel 200 MPH, nor would it make sense to pay a lot of money for a Lamborghini just to keep it in the driveway. Buying functionality you won’t ever need is just a waste of money.

Make a careful list of the functionality you really need, adding a few of those “would be nice” items. Award major points to manufacturing systems that have a built-in growth path, especially if you can test-drive advanced functions using your own familiar data.

6.) Failure to determine the company’s needs in accounting, manufacturing, engineering and data collection.

It is vital that you spend time thoroughly evaluating your company’s needs before choosing and installing any system. Get a complete review of the requirements in accounting, manufacturing, engineering and data collection. This is a mandatory step in the process — and one that cannot be skipped.

Doing your homework in the planning stages will pay off ten-fold when it's time to connect all the pieces. Ask your reseller if consultation and training is available directly from the software supplier.

For more information, please visit www.sageerpsolutions.com *[1].*

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