

# Put Your Business Management System Into Overdrive

by Craig L. Press

As I pointed out in “Selecting a Business Management System” (July/August 1999 *GATFWorld*, p. 9–10), an integrated business management system influences almost every aspect and person within an organization, encompassing sales, estimating, order entry, customer service, production, purchasing, shipping, and accounting. Used properly, a business management system can provide generous benefits to everyone in the company. Unfortunately, many companies have difficulties getting their systems out of first gear.

This article explains how to get the most out of your business management system by using a simple methodical approach to implementing a new system so you can quickly realize the benefits. This approach also works if you purchased a system over a year ago and are still not using all of its functions; and it can also help you identify if you have outgrown your existing system.

## **Take a Project Team Approach**

Combine the hundreds of features in a typical business management system with the hundreds of procedures in a typical graphic arts company and you have quite an implementation challenge—too much for a single person to master.

A team approach, however, not only disseminates the responsibilities, it also puts them into focused areas. These areas should be identified in correlation to your departments and your system’s software modules (e.g., estimating, order entry, scheduling, inventory, etc.). Select a representative from each area to be on the implementation team. Team members are responsible for getting their portion of the system fully operational by learning the system and working with their peers.

The project team will also need a project manager who has a general understanding of the system and your business. Project management is critical to the success of any system implementation. This responsibility entails coordinating the overall implementation, hosting meetings, monitoring progress, acting as the liaison between your company and the system vendor, and keeping everyone on schedule and focused on goals.

## **Set Goals**

The objective of the very first team meeting is to define the implementation goals for each area and each team member. Typical goals include:

- Estimating – produce fast, accurate estimates that reflect actual costs
- Inventory – minimize inventory investment by reducing inventory with just-in-time practices
- Customer Service – promptly respond to customer requests during the initial telephone inquiry by using the system to identify job progress

## **Design a Phased Plan**

Attempting to implement all the system’s modules at once will quickly create chaos in an organization. It is best to carry out a phased implementation plan. Break the implementation into manageable parts. Establish realistic timelines and milestones for implementing each module.

Plan the implementation of each application module in coordination with your team and the system vendor. This includes installation, setup, functional abilities, training, parallel operation of current systems, and frequent progress reviews.

## **Invest in Training**

I often encounter companies who are frustrated with the limitations of their system, only to find that they are

just not familiar with all of the system’s capabilities.

This situation is usually due to lack of user training. When the new system was installed, the users were forced into “crash courses” to get the system operational as quickly as possible. In this stressful situation, users are often overwhelmed by the many functions and changes, which prevents them from totally grasping all of the system’s capabilities. To add to the problem, many businesses try to save money by cutting back on training, a move that ultimately costs a company in lost paybacks.

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A company should expect to invest approximately 10% of the software cost in training. A “train-the-trainer” approach, where team members take the training courses and then train their co-workers, is the best option.

Training doesn’t end after the system is operational. This is true for several reasons. Over time, vendors will upgrade their systems, adding features and enhancements. Employees may move around in the organization, new employees may be hired, or the original trainer may no longer be available. Budgeting yearly training will ensure that everyone is taking full advantage of the system’s features.

## **Build the Databases**

Building the databases is one of the most crucial tasks. It is important to understand the purpose of the numerous databases and carefully

populate the system with your data. This is the best time to conduct budgeted hourly rate analysis of equipment, tune production standards, and clean up your inventory list.

Developing consistent codes for equipment, operations, materials, and other setup information can significantly reduce implementation problems and make the screens and reports easier to understand. Identifying consistent codes at the outset is also important because most systems do not allow the setup information to be changed once transactions have been entered. I often identify an operation with a combination of the department, cost center, and operation numbers as shown in the table on this page.

### Decide Which Reports You Need

No matter how many reports a system includes, most companies have a favorite report that does not come with it. Fortunately, many systems include report writing tools that allow users to design their own reports. Report writers work well for developing straightforward reports, but fall short with more complex reports, such as job tickets or estimates. The complex reports usually require custom programming by the vendor or your own IT staff.

But before spending the time and money to develop new custom reports, make sure you have a good understanding of the reports that come with the system. By working within the system and doing some out-of-the-box thinking, you may find that the system's already existing reports can effectively meet your needs.

Some of the many management reports essential to running a successful business include the following:

- Errors by employee, cost center, or department
- Productivity by employee, cost center, or department
- Profitability by job, customer, salesperson, or product
- Projected/estimated production vs. actual reports
- Estimated material usage vs. inventory reports

Many companies attempt to match the computer-generated job tickets to their handwritten tickets, sacrificing many benefits of doing the reverse. A system-generated job ticket can consistently provide more information faster and in a smaller area than a handwritten ticket. A computer ticket can provide operators with details such as anticipated net and gross counts, and makeready and running hours for each operation.

Departmental job tickets are preferable for medium to large companies. Departmental tickets allow prepress, press, and postpress to each have tickets and instructions specific to their area, so a folder operator, for example, is not bothered with scanning and other prepress instructions.

### Realign Procedures

A system can streamline your procedures and workflow, so it is important to realign your procedures as warranted by the system's abilities. For example, you may no longer need multiple copies of job tickets because they

can be viewed on screen in the plant. Or you may be able to replace the manual typing of quotations with system-generated quotations.

### Monitor Progress

Throughout the implementation of your business management system, track your progress by conducting regular meetings with the project team. Use the meetings to discuss requirements, the project's status, implementation progress, work completed, current work, assignment of responsibilities, and obstacles encountered. Prepare reports to keep both users and company management informed.

### Pull the Plug

Now that your system is fully operational, is it time to pull the plug on the old system? It is common for the new system's data structure to differ from that of the older system. This can make it difficult to import historic data into the new system. One solution is to provide access to both the new data and the historic data by networking the old system with the new system and continuing to run the older system just for historic information.

### Conclusion

You can shift your business management system and company into overdrive by thoroughly understanding your system's capabilities and training your personnel to apply those capabilities to your business. ■

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**Developing Codes Using Department, Cost Center, and Operation Numbers**

Department	Cost Center	Operation	Code
Prepress (20)	Scanner (40)	Setup (10)	204010
Prepress (20)	Scanner (40)	Scanning (20)	204020
Press (30)	5/c Heidelberg (50)	Makeready (10)	305010
Press (30)	5/c Heidelberg (50)	Running (20)	305020
Finishing (40)	MBO Folder (30)	Makeready (10)	403010
Finishing (40)	MBO Folder (30)	Running (20)	403020