

SaaS-Based Systems Benefit Light Manufacturers

Smaller, often assembly-driven firms can gain a competitive edge while approaching major manufacturer-like efficiencies by using “soup-to-nuts” software combining inventory, back office, fulfillment and delivery functionality.

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Major manufacturers, particularly two of the erstwhile Big Three automakers, have recently reported strong quarterly earnings that would seem to point to a fledgling economic recovery in their niche of the manufacturing sector. While the news is encouraging, smaller light manufacturers hoping to or actually beginning to reap the trickle-down benefits must, for now, continue to stay lean and mean.

The use of multi-function SaaS systems can give this group a leg up on competitors by lowering capital expenses and dramatically enhancing operational efficiencies. Multi-functionality is the key operative. Rather than on-site software that addresses one or two manufacturing processes, such as inventory and assembly—not to mention associated hardware and maintenance costs—a new breed of SaaS solutions especially designed for light manufacturers include a “soup-to-nuts” menu of capabilities that manages:

- HR and time and attendance, as well as benefits, sills and expense management functions;
- Combined and project purchasing;
- Payments and invoicing;
- Purchase orders, pending approval requests and related workflow;
- Assembly and fulfillment; and,
- The uploading of files, including images, for any inventory item.

Let’s take a look at how a project-based fictitious manufacturer of customizable lawn and garden sheds would benefit by implementing such a system that can track each shed component such as the door, roof, walls, locks and ventilation slots. Once an order is entered into the highly intuitive program, the program immediately recognizes product specifications and initiates an inventory search based on a product template, or checklist.

If one or several pieces are missing, this kind of system instantly and automatically locates them through the organization’s online procurement department to keep the assembly process moving forward. At the same time, an assembly line manager can immediately see, based on available pieces, the total number of sheds that can be built on that day, at least within a specific physical location.

These types of project-based systems can also identify when orders need special assembly, automatically routing those to the assembly department rather than to fulfillment and delivery. This saves time, eliminates confusion and eases unnecessary bottlenecks in fulfillment resulting from orders that require assembly before shipment.

Light manufacturers with multiple branch locations can leverage such multifunctional systems to initiate component transfers between facilities, thereby enhancing their responsiveness to orders and gaining a competitive advantage over firms utilizing non-seamless, and therefore slower multiple software programs across their enterprise. Days of delays waiting for answers and product try customers' patience while draining their revenue dollars.

Not every light manufacturer requires an all-in-one system encompassing all manufacturing and backroom functions. But such robust SaaS-based solutions can prevent the headaches borne of additional hardware, maintenance and related IT costs. Third-party software providers can quickly implement—in many cases in fewer than 60 days—turnkey systems while providing remote daily software support and regular updates. Such offsite management provides light manufacturers with systems comparable to the big boys,' while allowing their executives and line workers to focus on what they do best: manufacturing.

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