

EBOOK

The Dangers of Data Silos for Manufacturers



CHALLENGES:

- DATA SILOS LIMIT THE CONTROL MANUFACTURERS HAVE OVER THEIR BUSINESS AND ITS MANUFACTURING OPERATIONS.
- THE DISCONNECTS IN MANUFACTURING OPERATIONS CAUSED BY DATA SILOS LEAD TO LESS ACCURATE DATA, INEFFICIENCY, INADEQUATE DECISION-MAKING, AND ULTIMATELY LOWER PROFITS FOR THE COMPANY.
- FINANCIAL ANALYSIS IS NEARLY IMPOSSIBLE WITH A DATA SILOS APPROACH DUE TO DISCONNECTED PROCESSES LEADING TO UNRELIABLE DATA AND UNDEPENDABLE MEASURES OF PROFITABILITY.

TAKEAWAYS:

- WITH MORE ACCURATE DATA, MANUFACTURERS CAN TRANSITION OUT OF “FIREFIGHTING MODE” AND QUICKLY ACCESS THE INFORMATION NEEDED TO MAKE MORE STRATEGIC DECISIONS.
- MANUFACTURING OPERATIONAL EFFICIENCY WILL IMPROVE GREATLY, SIMPLY BY ELIMINATING THE UNNECESSARY ADMINISTRATIVE FUNCTIONS AND DUPLICATE DATA ENTRY OFTEN CAUSED BY THIS DISJOINTED APPROACH.
- ERP, ESPECIALLY WHEN DEPLOYED IN THE CLOUD, GIVES MANUFACTURERS A REAL-TIME VIEW OF ALL BUSINESS ACTIVITY FROM QUOTE TO CASH ANYTIME, ANYWHERE – EMPOWERING TEAM MEMBERS WITH DATA TO DRIVE MORE PROFITABLE MARGINS AND GREATER REVENUE.

Disconnected Data with Data Silos

The key to running a successful manufacturing operation is strategic decision-making supported with data. The challenge manufacturers have is that the data is often generated too late or not at all, putting the manufacturer at a severe disadvantage over their more system-savvy competitors. So why is it so hard to get access to data such as late orders, low inventory, and which jobs are profitable?

The answer: manufacturing data silos and disconnected systems.

Managing disconnected data stored in multiple systems or spreadsheets (often referred to as data silos) is the primary reason that many manufacturers struggle to make timely and accurate decisions. A data silo is a repository of data or knowledge that remains under the control of one department or a single person and is isolated from the rest of the organization. For manufacturers, those data silos cause disconnects among key manufacturing departments resulting in inefficient processes, higher costs, and decreased profits.

80%

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When data is trapped in separate silos, almost 80% of the decision-making process is spent just gathering data rather than interpreting it.¹ Think about the time wasted collecting data from different sources and compiling that data for analysis. In addition, a lack of timely data leads to delayed analysis of that data, which can inhibit a manufacturer from making timely and crucial changes to correct issues or problems. Data silos further impact a manufacturer's bottom line in a number of fundamental ways:



UNRELIABLE OPERATIONAL DATA

Inaccurate operational data is often a result of separate data repositories managed by the shop floor and the front office. This leads to duplicate data entry into different systems, as well as increased human error when inputting the same information for a second, third, or even fourth time. With unreliable data, manufacturers cannot efficiently increase throughput and their bottom line.



INCOMPLETE VIEW OF BUSINESS

Data silos limit visibility into your business and often require manufacturers to spend more time gathering data, limiting the time available to actually analyze it so they can improve manufacturing performance. The disconnected data silos lead to a reactive environment where key individuals are trying to manage the chaos of overloaded work centers, prioritizing jobs, updating production schedules based on customer demand, and more, without ready access to timely data. This reactive environment affects customer satisfaction, the quality of products being manufactured, and the timeliness of critical cost and profit numbers.



LIMITED FINANCIAL ANALYSIS

Along with an incomplete view of the business, data silos limit a manufacturer's ability to accurately analyze financial information on a daily or weekly basis. Timely data is necessary to accurately and confidently report on the financial status of the business, including operational costs, labor costs, and inventory costs. A CFO or accountant in a manufacturing operation is often faced with the challenge of piecing together a number of different spreadsheets or reports to ultimately close the books every month. This can take weeks or even until the next month just to sort through all of that data and accurately report work-in-process or the cost of sales.

What manufacturers might not know is that there is a better way.

4

Achieve greater manufacturing performance with these four important benefits: increased data accuracy, improved efficiency, decreased costs and increased profits, and closed-loop visibility.

Achieving Greater Manufacturing Performance

So what's the better way? A cloud ERP solution specifically designed for manufacturers will lay the foundation to achieve greater manufacturing performance with these four important benefits: increased data accuracy, improved efficiency, decreased costs and increased profits, and closed-loop visibility.



INCREASED ACCURACY

Unlike the disjointed approach, a fully integrated cloud ERP solution gives manufacturers the tools needed to input manufacturing data more accurately through a single system that manages operations from quote to cash. Cloud ERP integrates key business processes, including estimating, sales and inventory, production, and financials, so that all information is in one place for increased collaboration among departments. This type of accuracy is achieved through a single “system of record” that should be easy to use and is uniquely tailored to the needs of each department. Each department should never have to re-key the same data a second, third, or fourth time. With an integrated ERP solution designed specifically for the nuances of a manufacturing operation, day-to-day operations are simplified based on access to data that is accurate and timely.

2

This visibility that ERP provides allows the CFO or accountant to close the books every month in just a couple of days.



IMPROVED EFFICIENCY

With a cloud ERP solution, manufacturers gain increased efficiency in their operations. Not only are manufacturing team members spending less time doing mundane, non-value-added, and time-consuming manual tasks, but the team is empowered with a solution that makes day-to-day operations a whole lot more efficient. With complete visibility, manufacturers know what's planned, what's happening now, and what's happening in the future. This increased visibility is a direct result of the reliable data that showcases exactly what the company is trying to accomplish. Without data silos, the information flow between departments is seamless and allows manufacturers to concentrate more on increasing efficiency in the shop.



CLOSED-LOOP VISIBILITY

Closed-loop visibility means manufacturers have complete access to business information from quote to cash. This visibility that ERP provides gives manufacturers the data needed to make more strategic and confident business decisions, and it allows the CFO or accountant to close the books every month in just a couple of days. That's time saved that can be used to analyze what's making money and what's not and how to strategically drive more business around the most profitable jobs.

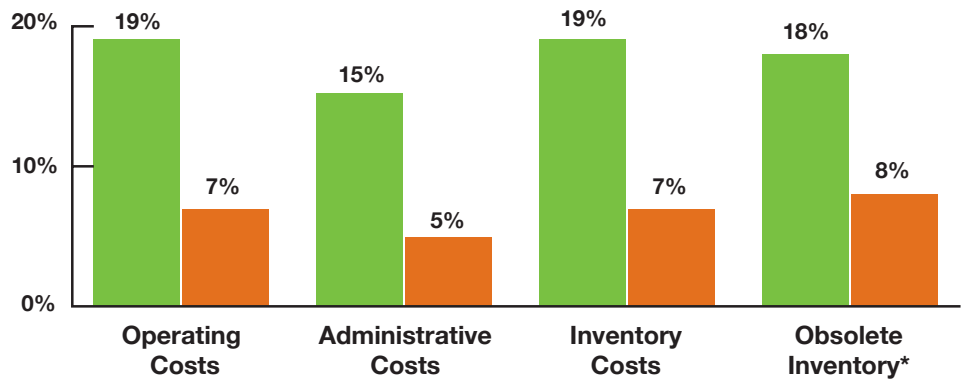


DECREASED COSTS AND INCREASED PROFITS

By improving manufacturing performance as a result of a fully integrated ERP solution, manufacturers are able to save money on inventory by only purchasing material when needed, release more work to the shop floor by eliminating unnecessary administrative tasks, and improve data accuracy for reliable, real-time costing information. Some manufacturers may be concerned about the disruption the ERP implementation may cause and its related cost, but the truth is, the return manufacturers recognize by implementing an ERP solution quickly offsets those costs. Experts have determined that access to real-time information achieved by implementing a cloud ERP solution can reduce manufacturing costs up to 20%.

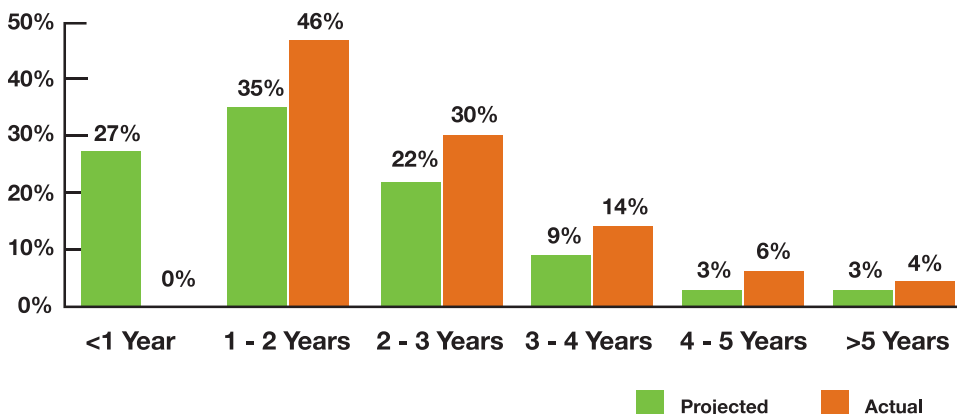
Cost Savings Experienced Since Implementing ERP

*Metalforming Magazine 3



*Manufacturing and distribution companies only

Worldclass All Others



Projected and Actual ROI Timeline

*Metalforming Magazine 3

Projected Actual

How KeyedIn Manufacturing Can Help

Is real-time manufacturing information supported by a cloud ERP solution important for your operation?

If your answer is “yes,” then you need to evaluate KeyedIn Manufacturing.

Custom manufacturers are turning to KeyedIn Manufacturing, an innovative cloud ERP solution designed to manage chaos and eliminate disconnected data silos. They recognize that they will achieve key benefits by choosing KeyedIn Manufacturing, including:

- Access anywhere, anytime, from any device
- Configurability that tailors the solution to their unique manufacturing processes
- A solution developed specifically for make-to-order and mixed-mode manufacturers
- A team of experts committed to making the implementation process a success
- Software support, on-demand training, and software upgrades at no additional cost to the user

To schedule a demo of KeyedIn Manufacturing, visit keyedinerp.com.

Sources

¹ Harvard Business Review, “Breaking Down Data Silos”,
<https://hbr.org/2016/12/breaking-down-data-silos>

² iT ToolBox, “How ERP Decreases Costs and Improves Efficiency in the Manufacturing Process”,
<http://it.toolbox.com/blogs/inside-erp/how-erp-decreases-costs-and-improves-efficiency-in-the-manufacturing-process-72862>

³ MetalForming Magazine, “Is it Time to Purchase a New ERP System?”,
<http://www.metalformingmagazine.com/magazine/article.asp?aid=7617>



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