

Manufacturing Practices Newsletter

The Monthly Journal of Making the Most of Your ERP System—February 2011



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Exploring Rover Data Systems - Millennium III (M3)

Rover Data Systems has spent the past 22 years understanding that smaller companies need software that is designed specifically to fit their business needs. Many larger software vendors provide Enterprise solutions that were originally designed for the Fortune 500 and then "scaled down" to sell to smaller businesses. To these vendors, all businesses are the same (whether your firm is big or small). As long as you conform to the business processes in their software, you can manage your business just like the big guys. Rover Data Systems doesn't believe that all businesses are the same. We created our solution with the flexibility to address the needs of small to medium sized (SMB) companies who want to integrate their own unique processes into the software they choose to use.

Since 1989, Rover Data Systems clients have had an affordable and easy to use business management software system to control their business operations; a system that continues to grow and expand with each new release. SMB companies often start their business with an accounting package as their chief internal management system. As they grow they seek greater functionality from their systems and processes, and more control of non-accounting functions. They often find that they are struggling to create and build an internal system to meet their needs. That is where Rover Data Systems fills the market niche. The M3 system is easy to use, intuitive and provides the functionality that manufacturing and distribution organizations in the \$5 million to \$500 million range need to grow their business.

Visit us at www.roverdata.com or give us a call at 714-258-8444. We are here to help.



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ABOUT US

Manufacturing Practices, Inc. is a management consulting firm that assists clients with ERP activities:

- We educate organizations to reduce the risk associated with ERP Selection & Implementation
- We assist organizations to select the ERP System that best fits their business processes
- We support the integration of the ERP System into the business during ERP implementation
- We guide organizations to find additional values in their current ERP System
- We promote growth from good to great
- We are software independent and owe no allegiance to any ERP Vendor. With several decades of success, we are experts at providing client support during the difficult transition into using a new business management system

What Distinguishes You from the Competition?

It appears that the more successful a company is the more successful their ERP Implementation is. How could that be?

The answer appears to lie in how those companies integrated people into their processes and into the spirit of being entrepreneurial. These companies valued their employees, and went above and beyond helping them perform their jobs more effectively, helped financially during times of crisis and helped them with familial issues when necessary.

But, is there a process that might support a system of enabling company employees to focus the company to improve processes and activities that add directly to the bottom line? Another way to think of it is by asking, "Can we create a process that gets employees to think outside of the box that defines their 'job'"?

The short answer is 'yes'. That process is called "continuous improvement". What is "continuous improvement"? There is no short answer to due proper just to describing what it is. There are many parts to a complete definition.

The first part of the answer is that the activity is a journey and not a destination. The process has a starting point but does not have a completion point.

The next part of the definition would address who is involved and that answer is 'everybody' and that includes people in both the front office and back offices, the shipping and receiving docks, the maintenance teams, the quality teams, and the production teams as well. The next part of the definition identifies how the process starts. The answer is that it has many. It can

Start from a suggestion box, from a comment made during the monthly (or weekly) employee meeting, or from an email set to a central collection point, from an "Aha" moment or from a discussion.

The next part of the definition identifies how a response to the request occurs. Regardless of the input means, suggestions might be reviewed by management on a regular basis, daily, weekly, monthly or quarterly, as an example. Management might assign a priority to the idea and determines who should implement the idea. In some cases, the idea needs further discussion and is assigned to a team to review. In some cases, a budget for the must be created and that responsibility falls on a team as well. In some cases, these teams are sometimes called Kaizen (continual improvement) teams.

The next part of the definition identifies how the implementation of the idea occurs and here a great deal of latitude exists depending on the cost, the effort involved and the amount of disruption that occurs. Some companies formalize the process and some do not. Some have a formal process only when the projected project costs exceed a milestone level.

Some companies formalize this 'continuous improvement' activity and have Kaizen teams to actively review improvement opportunities, creating the budgets, goals, teams, and targeted savings for the implementation of projects. The result is that there is a formal process of continuous improvement in place at progressive and client focused organizations.

What do you think the result of such a process would be if someone in the company recommended selecting, implement, or improving their current ERP System and used the continuous improvement processes to implement that project? What a great idea!

To contact us about how to help your organization create a continuous improvement attitude contact us [here](#).

EYE ON IT

As long as we are talking about thinking outside of the box, here are a few videos from YouTube about how to put your creativity to use to open your self and your teams to different thinking:

What is "[Thinking outside the box](#)"

What Einstein (played by a very bad actor in a very bad wig) suggests: [Creativity](#) (ignore the coffee ad)

Continuing the bad acting and bad costume theme, here is Leonard Da Vinci's ideas: [Creativity](#) (again, please ignore the pitch for the coffee!)

While we are talking about thinking outside the box, is there additional value that might exist in your current ERP System if you are not using a module or not using some modules as well as you could. [Review our ERP System Utilization Assessment](#) and see if additional ROI exists in your ERP System deployment.



EYE ON IT

Where is ERP headed in the next 2-3 years? Like us, Yogi Berra has seen the future and says, "[The Future Ain't What It Used to Be](#)"

Are you prepared for that step? How well does your company use your ERP System? If you are not sure, try our assessment tools! [Click this link to review our offerings](#)

ERP Vendor Profile—Rover Data Systems

M3 from Rover Data Systems provides the ideal software solution for small to medium sized companies. The system includes every critical component necessary to manage a growing organization, combined with the flexibility and scalability to meet today's and tomorrow's, business challenges.

Why would any business want to use piecemeal manufacturing software systems from different vendors when they can get everything they need in one place at Rover Data Systems? As most managers and company owners know, purchasing [accounting software systems](#) from one supplier and [supply chain inventory management](#) from another and CRM software from another can get confusing and inefficient, and can ultimately affect the performance of the business because everyone's not on the same page.

Rover solves performance issues with a full menu of [small business operations software](#) that utilizes easy-to-use interfaces and offers compatibility between programs.

In addition to user-friendly [small business inventory software](#), Rover Data backs your businesses'

organizational needs with programs that make financial management a breeze. Our [ERP manufacturing software](#) is designed to make business functions intuitive and accurate for large-scale operations and small businesses alike. Plus, with programs such as our [small business CRM software](#) helping you keep track of your biggest and most valuable clients, you'll never lose a sale due to tracking or organizational shortcomings.

Bottom line—it is all about customer service.

At Rover Data Systems we pride ourselves on providing a strong relationship and support that most

other software companies cannot match.

Our commitment to long-lasting relationships has turned all of our clients into life-long customers.

The ability to work with companies that are in the process of change, whether due to growth of just the way they prefer to run their business, has been the underpinnings of much of our success.

Click this link to watch a short movie that further explains how Millennium III ERP System can be a help to your business .

[Rover Data Movie](#)

From Ron Vogel, VP — Rover Data Systems

We were excited to sponsor this month's Manufacturing Practices, Inc. Newsletter. As we moved deeper into the 21st Century, Rover Data is leading the charge for small and mid-sized manufacturing organizations as effective users of ERP Systems.

From the beginning, Rover has created an uncomplicated business management system for our clients. And here is a claim that I am sure few, if any ERP Vendors can make. Our client base continues to use our product. Rover Data Systems has never lost a customer to competitive ERP System. Once a Rover Data client, always a Rover Data customer.

If you'd like additional information about our product or our company, please feel free to contact me personally at (714) 258-8444 x202.





Consultant's Corner

By John Caravella BA, JD

Turn Around or Turn Away Business - *Triage* for a Distressed Company

John Caravella BA, JD - Principal / Chief Executive
The Atlantic Consulting and Research and Group
John C. Caravella is the founder and chief executive of The Atlantic Consulting & Research Group an international management advisory firm based in Atlanta, Georgia.

John has more than thirty years of leadership, management, and consulting experience in business and the military. His professional background embraces a variety of domestic and global manufacturing and service environments in North America, South America, Europe, and Asia.

John holds a Bachelor of Arts from the University of Dayton (Ohio) and a Juris Doctor from the Woodrow Wilson College of Law in Atlanta, Georgia. He is a U.S. Army veteran of the Vietnam conflict.

Your company survived the Great Recession. You chopped labor and overhead, postponed maintenance, and cancelled technology upgrades.

Fortunately, most of your key customers survived too, but their order stream has dwindled to less than half of pre-recession levels. Unfortunately, major links in your supply chain did not survive. Likewise, access to credit has become nearly impossible, because a long-standing relationship with your banker expired when the bank failed. Correspondingly, new suppliers want cash on delivery or demand burdensome payment terms.

So, although your company might be a survivor, it's in trouble. The boat has capsized, and you did not drown. However, while swimming your way to shore, a shark has bitten off an arm and a leg.

Lying awake at night, you mull your options. Close and liquidate the business? Enter into Chapter 11 bankruptcy protection? Place the company up for sale? Seek new equity partners? Hunker down and engineer a turnaround?

Each option or combination will result in its own set of consequences, so the wise business owner likely will seek the services of a trusted advisor to objectively *triage* the company and facilitate a suitable decision.

What considerations lead to a right outcome? Here are five strategic queries for effective business *triage*.

- 1. Does the business have significant market presence leading to sales?** The company must not necessarily hold a dominant market position, but customers, suppliers, and competitors should recognize it as a *player* in its industrial sector.
- 2. Can the company exhibit documented economic value?** Are there tangible physical or intellectual property assets to appraise? Can intangible assets – such as reputation related to cost, quality, service, or speed – be quantified? In view of recent negative events, an earlier business appraisal or purchase offer might not be pertinent to document present value. However, they certainly can be regarded toward a decision about the company's future.
- 3. Does the company possess a formal capitalization structure?** Is the debt to equity ratio part of the company's business strategy? Do decisions related to product development, marketing, sales, delivery, and customer retention comply with the capital structure? Are financial strategy and operating strategy aligned?
- 4. What are the consequences of going away?** How would closing the business affect investors, employees, suppliers, and customers? How complicated would dissolution become? Generally, a shutdown produces more than financial impact. Contract breaches often result in litigation. Especially for closely held companies in tightly knit communities, closure sometimes creates social upheaval.
- 5. Does the business demonstrate a mature or evolving corporate culture?** Will unique management or technical expertise be lost forever if the company closes? If the business owner starts over, must a brand new management and technical team be recruited?

Honest unprejudiced answers to these five questions are essential for a distressed business owner to decide to **turn around** or **turn away**.



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