

One Industry.
One ERP.
One Focus.

SHOP EDGE
SOFTWARE INC.

ERP Software
Exclusively for
Metal Stamping

Industry Edge Report Summary

Inside this
Industry Edge
Report
Summary:

- How to save money on the shop floor
- Improve Overall Equipment Efficiency and “level load”
- Become a more efficient company by integrating scheduling and tooling

Volume 1, Issue 2

Part 2 of 2: Cost Savings in Metal Stamping: Optimizing Scheduling

How to Improve Scheduling and Save Money NOW...

Shop Edge understands that you need to manage your Job Costs closely now more than you ever had to before. Let us show you how our customers are controlling costs and saving money.



In a recent survey of our customers who are exclusively in the Metal Stamping industry we have uncovered that this involvement in just “**one industry**” and the singular focus on Metal Stamping has generated a number of transferable cost control practices. It is this singular focus that sets us apart and helps our customers to achieve remarkable “**cost control**”. An industry-specific solution empowers operational excellence by facilitating collaboration within your own business as well as with your customers.

Consequently, organizations, similar to your own, see a complete solution approach that provides maximum value to them and the customers they serve and at the same time **drives costs out**; your competitive edge.

Optimized Scheduling

The core strengths of a system designed for your industry has to be in the **Metal Stamping Production Scheduling and Control** module, which is the foundation of an advanced industry-specific system and is what will assist you in reaching your desired competitive advantage. Having a solid scheduling module translates into reduced costs where you need it: on the shop floor.

Innovative and Advanced Scheduling and Control reduce costs by improving Overall Equipment Efficiency (OEE). Having the ability to “level load” and consequently minimize change over times results in OEE. A scheduler, designed from the shop floor up, measures equipment and tooling availability, and

Today more than ever you need to give your company an “EDGE”...

Optimized Scheduling cont'd...



“Time is money, and a predictable steady state production pattern will assist you in attaining peak OEE and saving more money.”

maximizes usage making sure you are running jobs at peak efficiency. By combining Production Scheduling with an **Integrated Tooling and Maintenance** module, software can assist companies by reducing loss types such as setup and adjustment, breakdowns/machine failures, and small stops. Reducing loss types saves you money.

The key factors associated with driving towards peak efficiencies across the shop floor have been identified as:

- Consistent loading associated with your equipment or “level loading”
- Minimizing change over time
- Accurate data on your customer’s historical forecasted patterns

Time is money, and a predictable steady state production pattern will assist you in attaining peak OEE and in saving more money.



“Innovative and Advanced Scheduling and Control reduce costs by improving Overall Equipment Efficiency (OEE).”

The Numbers Game...

Before ERP and Automation		After ERP and Automation	
<ul style="list-style-type: none"> Poor scheduling mechanisms do not enable you to use equipment effectively 	<ul style="list-style-type: none"> Contributes to low OEE and increased 'Setup and Adjustment' loss type 	<ul style="list-style-type: none"> Advanced Scheduling module measures equipment efficiencies directly using your own schedule and increases equipment utilization by 10% over 24 hours 	<ul style="list-style-type: none"> Reduced setup and downtime and \$100,000 in increased production revenue from optimizing equipment utilization
<ul style="list-style-type: none"> Inadequate tooling management contributes to poor OEE 	<ul style="list-style-type: none"> Increased labor costs and lost time due to no visibility of the tooling shop into the production schedule and little understanding of tool synchronization for each production run. 	<ul style="list-style-type: none"> By integrating your Scheduling module with your Tooling module you can now prioritize tooling with the scheduling of production 	<ul style="list-style-type: none"> Prioritizing tools with production translates into labor savings of 8 full-time employees, or a yearly savings of \$300,000
<ul style="list-style-type: none"> Without reliable scheduling your raw materials inventory totals that directly impact production are often inaccurate. 	<ul style="list-style-type: none"> Additional employees are needed to manage and maintain production targets. Inefficient scheduling and inventory levels require 2-3 more employees to meet and support output levels. 	<ul style="list-style-type: none"> Optimization of labor as a result of inventory and scheduling integration allows you to redistribute your resources effectively. 	<ul style="list-style-type: none"> Improved production levels from integrated scheduling resulted in \$120,000 in direct labor cost savings
<p style="text-align: center;">LOST:</p> <ul style="list-style-type: none"> Production time due to extended change over times Production Time and labor due to unavailable tooling for production runs Labor that is devoted to supporting inefficient process related to tooling set up and inadequate inventory 		<p style="text-align: center;">FOUND:</p> <ul style="list-style-type: none"> Added production time due to load leveling and effective scheduling and cost savings of \$100,000 Prioritizing tools with production saves 8 full-time employees or \$300,000 per year Extra labor for redirected and productive activities (not inventory and set up) saving you \$120,000 <p style="text-align: center;">A total of \$520,000 back in your business</p>	

NOTE: Cost control numbers are accurate and were provided during the 2008 annual ShopEdge Software Inc. customer survey from our metal stamping customers.

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“Powerful Best Practice Cost
Saving Techniques used in
Metal Stamping”,
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Stay tuned for our next report:

Efficiency and Productivity Gains in Metal Stamping

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