Rental is only part of the answer

How the SME manufacturer can now face up to today's issues

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In manufacturing, nothing stays static for too long, everything changes. Growth, recession and recovery, which is repeated in an irregular yet certain cyclical pattern.

Global markets and worldwide political and economic events all seem to conspire at times, making life in UK manufacturing just that bit harder.

Reducing operating costs, increasing efficiency and throughput is the name of the game not just to be successful and to make a healthy profit but it's a necessity to ride out the storm, just to survive!

In terms of manufacturing techniques, methodologies and systems much has changed over the years or has it really?

The following is not in any particular evolutionary sequence but most of us would have at least heard of, or know something about MRP, MRPII, JIT, ERP, Kanban, Agile Manufacturing, ERPII, APS, Supply Chain Management and Lean Manufacturing techniques and methods.

In summary, the above offers a range of differing feature sets that can deliver solutions to a variety of manufacturing types or styles and we all know that computers can help, don't we?

So what has really changed apart from what the system's solution might offer the SME manufacturer? Well, I'm afraid to say, not a lot, in my view! When it is so demonstrably clear that manufacturing computer solutions can and do add major benefits to manufacturing businesses, (with varying degrees of pain, anxiety, huge effort and cost) how can this view be supported?

No matter what flavour of manufacturing control system you care to look at, they all have the same drawback in common. The one thing, which has most definitely not changed in over twenty years that I have been working with manufacturing systems, is my industry's value-added approach to the customer.

Put simply, for every £100 of software that is sold, there is anything from £200 / £600 of services, and sometimes more, which are sold, because in the well-

practiced words of IT suppliers, *"that's what you need Mr. Prospect to ensure a successful implementation"*

Moreover, the software comes with binding contracts and large capital outlay upfront.

So why do many SME manufacturers sit on the fence and struggle by running a manufacturing business with just a basic accounts package, the odd spreadsheet or two and do the rest in the traditional manual 'knife & fork' mode?

There are five main issues that quite frankly, put the SME manufacturer off real business improvement.

- **Will I put more effort into the system than I get out of it?**
- **I can't afford all that time away from my factory on system training!**
- **It's so expensive – I haven't got the capital budget!**
- **These systems take too long to get up and running!**
- **I don't have the staff for complex systems.**

Ironically, these issues facing the SME manufacturer, is actually the challenge for all software developers in the manufacturing sector!

123insight was conceived as a direct response to this challenge and for sound commercial reasons, we saw this as the opportunity and a major one at that!

The founders of 123insight had collectively many scores of man-years experience in virtually all aspects of providing solutions, which I now tend to describe as 'traditional' modular-type systems and so they were ready and well equipped to take up the challenge. The first stage in realising the new concept was to design the software to make it so easy, that anyone can use it.

In so doing, they looked long and hard at the regular day-to-day business activities that all manufacturers need to perform and this resulted in a design, which threw away the contrived divisions of a 'modular system' design approach in favour of business processes and functions.
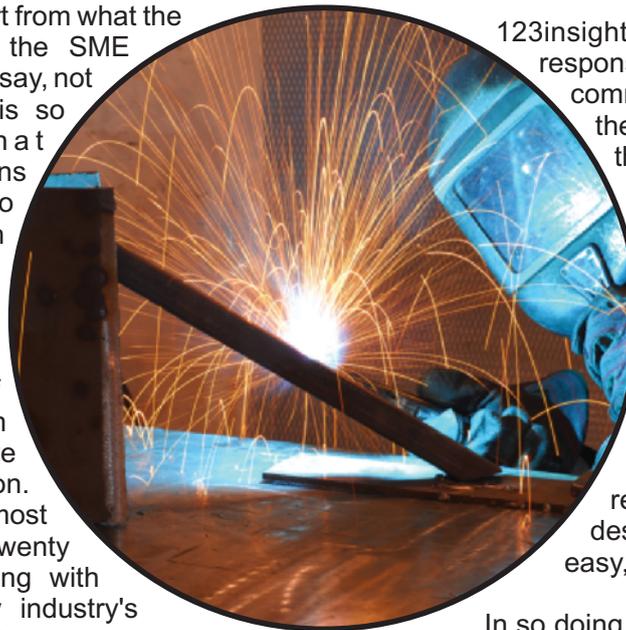
From the customer's point of view, how often have your heard your I.T. supplier say, "Yes the system can do that, but you'll need to buy the 'xyz' module."

Many systems are often abandoned because the users found themselves with a system that required far more effort in terms of input, than the result and benefits given back in return.

Could it be anything to do with how these systems have been designed?

123insight places a great deal of emphasis and focus on simplicity and speed of processing, making doing things manually, the poor relation by a mile.

Our design goal was to make 123insight the best in the market by focusing on the 'core' processes required by virtually ALL manufacturers and not to dilute our efforts by developing 'fringe' software capabilities that only a few manufacturers would require.

For the SME manufacturer, having effective control from 'Quotation to Sales Invoice' is the core of the primary functions and activities.

To be able to satisfy most of the people, most of the time is a better proposition than satisfying a few people all of the time!

123insight has given us the opportunity not only to get the first time user on board and to get them more efficient but we have also had a great deal of success in replacing the traditional manufacturing systems, many of which still regarded as market leaders.

I repeat, in manufacturing everything changes!

The results of this development has firmly and squarely addressed two of the key issues; namely, "Will I put more effort into the system than I get out of it?" and "I don't have the staff for complex systems"

The second stage for the new concept was to devise a series of short-duration but effective implementation services to address the issues of, "I can't afford all that time away from my factory on system training!" and "These systems take too long to get up and running!"

Given that 123insight was made to be intuitive, it meant that 'user' training could be greatly reduced from the traditional norms of 'one day of training per module', which allowed us to focus the education on what the customer really needs to know to effectively use the whole system.

The results of which has meant a 1-day course aimed at engineers, one for system/finance and two 2-day courses aimed specifically at commercial and production/MRP oriented staff – a total of just six service days!

This straightforward approach to systems implementation means that the user gets the tools and know-how to be self-sufficient and avoids high service and running costs.

The results so far, have been extremely encouraging with an average support call rate of less than one call per customer per month. One recent first-time user went live and did not use the support help line for over two months.

The final stage of the new concept was to find a way to make the system financially accessible for the SME manufacturer and remove the capital outlay issue.

Rental is only part of the answer, because without the true systems ease of use and the effective implementation approach, the complete concept wouldn't have been achieved as it was envisaged.

The software and the implementation methods are designed to be straightforward, simple and easy; therefore the rental element of the new concept needed to follow suit.

While rental negates the large capital outlay, when it comes to systems, 123insight provides a true rental, without any finance agreements, contracts, minimum rental periods (usually years) and termination periods. In short, a no-commitment rental policy was created which is straightforward, simple and easy.

Being able to offer a rental arrangement with no tie-in on a month-to-month arrangement, whereby customers can increase or reduce their user-licence at will, provides flexibility in what we all know are times of uncertainty.

Furthermore, as the prospective customer is fully aware that they can walk away at any time and without any penalty, they readily appreciate that this is the first time in their dealings with an I.T. supplier, where the supplier is genuinely looking for clients where the system will work well and be used for as long as the customer wishes.

The customer can clearly see that there is no financial benefit to the supplier in skirting around any system issues to make a quick sale because they could terminate in the first month of using the system - honesty is the best policy!

And finally, with the no-obligation training prospective customers have enough knowledge to install the system, but at this point have not paid a penny - if they discover that 123insight cannot meet their needs they simply walk away, knowing much more than when they started the process.

With fast selection, just six days of risk-free training and no binding contracts you simply cannot lose.