

E-BOOK

# Eliminate manufacturing operational pressures

*Sage Business Cloud X3*



# Make sure you're getting the most out of your technology investment

A simple, ongoing maxim in the manufacturing industry is that competition today is at an all-time high—and tomorrow the bar will rise even higher. That means in order to stay ahead, you need to keep improving the way you conduct business.

Fortunately, continuous improvement is part of your industry's DNA—and so is the use of innovative technologies. In fact, an industry report indicates that 97% of leading manufacturers deploy a modern business management solution to help drive efficiency, manage costs, and promote profitable growth.<sup>1</sup>

And it's equally important to not only select a solution that provides the features you need—the top manufacturers are ensuring that their solution is being used to its fullest extent across the organisation.

Sage Business Cloud X3 helps us integrate our entire manufacturing process, from order entry and shipping, through demand forecasting. It provides us with material requirements planning (MRP) capabilities, access to accurate, up-to-date information, and tight lot control functionality.

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— Tony Hum, vice president of finance, Reinhart Foods

<sup>1</sup> Aberdeen Group, Creating a Modern, Effective Manufacturing Environment with ERP, October 2014

# Typical industry pressures are filled with complexity

Demand-planning is always one of the most challenging aspects in manufacturing. When a company expands—especially globally—those complexities increase dramatically. That's because you not only need to communicate effectively with your suppliers and regulators, you also have to handle more customers with varying levels of demand.

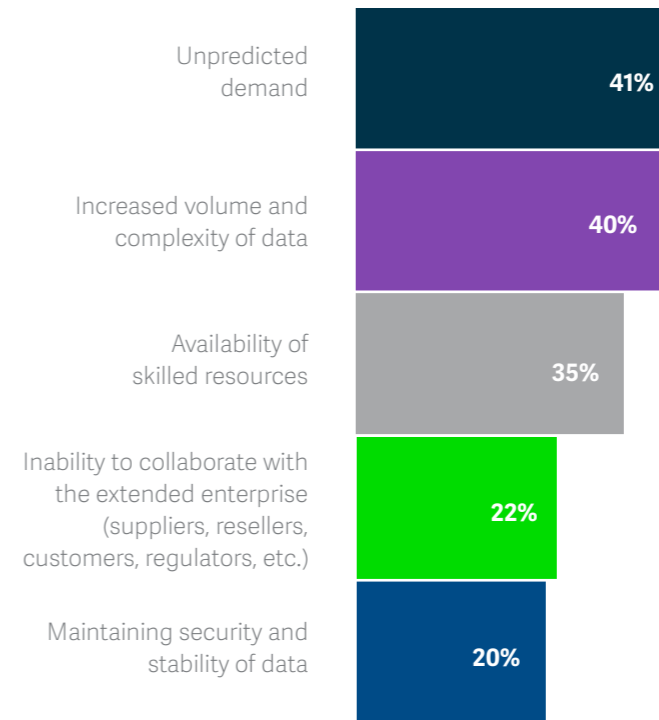
And as you know all too well, the only thing worse than excessive product surplus is excessive product shortage.

By introducing forward thinking and a modern technology environment, manufacturers can make better use of the wealth of information to:

- Improve inventory accuracy
- Deliver faster month-close completions
- Meet internal manufacturing schedules
- Ship more orders complete and on time

<sup>2</sup> Aberdeen Group, Mobile ERP: Taking ERP ROI into your Own Hands, August 2014

## Top pressures in manufacturing<sup>2</sup>



Percentage of respondents, n=89

We are now able to track profitability at an item level. Before, our bill of materials data was in a separate system, and it was too difficult to trace our actual costs. We use this data to ensure we are accurately pricing our products and to make better decisions about our manufacturing processes.

— Tom Dinolfo, CFO, Heresite Protective Coatings,  
Heresite Protective Coatings, LLC



# Modern solutions alleviate manufacturing pressures

As we've grown, our inventory has become really large, beyond what [our previous solution] could process effectively. We were spending about 30 man-days on our year-end inventory check. Sage allowed us to grow our business to where we are today. We have taken our company to the next level with Sage.”

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— Cathy Marks, bookkeeper, Hayden Concrete

The truth is that legacy ERP or homegrown business systems don't provide all of the functions or the scalability that today's manufacturers need. They also don't address significant issues related to workflow, process, and growth—a direct result of loosely integrated business systems.

Today's simpler and more flexible business management solutions integrate, connect, and accelerate existing systems and processes while offering a growing host of value-add modules that further increase their capabilities without adding complexity.

By tightly integrating management tools with financials, you'll be better able to estimate costs, buy materials, track labor, manage scheduling, and support frontline employees with real-time accuracy on the availability and delivery of orders.

With these increased efficiencies come enhanced insights into customer data, more precise warehouse management and financial forecasting, and greater business intelligence—along with a complete, auditable system of record for accounting and compliance purposes.

# Typical manufacturing demands

Forward-looking manufacturers require a business management solution that can:

- Scale and integrate new features as the business grows
- Automate rigid, time-consuming, error-prone manual processes
- Be agile enough to quickly respond to changing needs

Sage Business Cloud X3 streamlines relationships between scheduling, purchasing, and stocks, helping us to create and optimise almost 12,000 production orders per year at our two sites.

— Frédéric Devine, IT director, Gyma

The successful manufacturing cycle



Before we implemented Sage, we had eight separate accounting and operation applications—each with its own reporting engine. Now, one powerful reporting engine has replaced eight separate programs.”

— Mike DePasquale, Group Enterprise System Manager,  
Avon Rubber



# The right solution produces positive results



Not all business management solutions are alike, and every manufacturer requires specific capabilities from its solution. However, manufacturers say these are the top five functions a solution should support according to a recent survey:<sup>2</sup>

- Accounts payable and general ledger: 90%
- Purchasing: 87%
- Inventory control: 83%
- Accounts receivable: 80%
- Order management: 77%

And with the right solution in place, the following percentage of leading manufacturers achieved significant improvements in the following areas:<sup>2</sup>

- Inventory turns: 39%
- Stock-to-sales ratio: 20%
- Complete and on-time delivery: 19%
- Cycle time of key business processes: 18%
- Schedule compliance: 16%

<sup>2</sup> Aberdeen Group, Mobile ERP: Taking ERP ROI into your Own Hands, August 2014



# The proof is in the business management solution

Clearly, today's business management solutions play an integral role in the success of manufacturing businesses. Ready to learn more how they can help you overcome typical industry pressures so you can maintain your competitive advantage?

Request a demo >

## Ready to take the next step?

Take the next step and request a [complimentary business review](#).

For more information, call 1800 222 040 or visit [sage.com/en-au](https://sage.com/en-au).



Sage Australia  
Level 11, Zenith Tower B,  
821 Pacific Highway,  
Chatswood NSW 2067

13 SAGE (Australia) or 0800 904 409 (New Zealand)

[www.sage.com/en-au](http://www.sage.com/en-au)



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