Use a Shop Floor resource center to:

- Identify performance goals
- Know how to reach goals
- Know how well you are doing
- Balance growth with capacity

Achieve your growth potential in three steps:

Step 1 – Measure: use existing data to set performance goals.

- **Log production data:**
  - **Rates**: performance by any number of work center, machine, operator and shift.
  - **Times**: downtime, run time and setup time
  - **Quantities**: raw material, inventory, finished goods, work in progress, open orders
- **Track production, trigger alerts and automatically save records when there is:**
  - Change in reliability of equipment or process.
  - Change in inventory levels.
  - Change in performance against peers.
- **Control Shop Floor operations:**
  - Setup, start and stop production.
- **Create a feedback loop:**
  - Identify key input and output controls used in production.
  - Set a standard for valuable asset information existing in a duplicate, distributed, incomplete or inaccessible state for performance trend analysis.
  - Report performance exceptions, deviations, and items for action.
  - Set baseline standards for inventory control, product or service performance.
  - Measure and improve performance against baseline standard.
  - Use procedures to correct deviation from standards.

Step 2 – Control: use instant feedback to control production costs.

- **See waste trends.** Treat cost overruns. Reduce setup and processing costs of production.
- **Reuse your proven solutions.** Improve talent performance mid-course using feedback from exception reporting and historical data. No distraction reports are on a need-to-know basis.
- **Check stock levels and item count for demand planning.** Reduce holding costs of buffer inventory or safety stock. Reduce time used to calculate inventory. Shorten cycle on inventory closing and audit.
- **Less time spent confirming every work order.** Delegate data gathering to the system and proactively prove the health and safety of operations. Gather evidence for strategic operational decisions and anticipate problems.
- **Less touch points used by supervisors to summarize production data.** By reporting only deficiencies and exceptions you then eliminate duplicate or unneeded status-checking and research. Provide your production team clear incentives to gauge progress on a daily basis, eliminate "analysis paralysis" and achieve objectives.
- **Find bottlenecks.** Ask the question: "What breaks when the speed of your operation triples in number of orders or number of customers?"
- **Match capacity with opportunity and reduce production swings.** Relieve bottlenecks so you can elevate production throughput, increase inventory turnover and increase asset value. Stabilize production performance using a baseline standard. Improve or replace low quality resources and leverage high quality resources. Sell reliable service and product so you can negotiate lead times with your customer.

Step 3 – Pick and protect your ideal customer.

- **Help your customers succeed.** Often, accounting averages of uncontrolled costs will fail to forecast output. Know your cost structure and use actual production measures (time to completion, and costs) so you can now pick low-hanging fruit and fit the best resources (machines, talent, partners) into customer demand.
- **Allow your customer to pick only two: cheap, fast or good.** Analyze supply and demand trends to gain visibility into how operational performance affects financial performance. Know your costs to prevent selling jobs at a loss. Price-in service quality and negotiate long-term contracts instead of giving away product leaders at a volume discount.
- **Protect your customers by avoiding resource over-subscription.** Reduce late orders, customer tradeoffs, unexpected costs and forced delays. If you have high and low quality vendors and customers you can now improve and replace low quality partners, and leverage high quality partners. Move from being a backup source to primary vendor.

Achieve your growth potential in three steps:

Step 1 – Measure your performance

- **Stop making decisions on poor data.**
  - The Shop Floor resource center can connect to any ERP, MRP, or order routing system and any MES (manufacturing execution system).
  - Give your production team all the information needed to do a job.

Step 2 – Control your costs.

- **Stop paying for more than what your customer bills.**
  - Increase the earning power of inventory and other production assets so you can operate without giving jobs away at a loss.
  - Reduce duplicate processes, react to market changes and cut losses early.
  - Have visibility into sourcing and delivery of production items. Cover gaps in raw material used for production or assembly without missing service and while keeping inventories low.
  - Know the factors that cause inventory fluctuations so you can make purchasing purchasing decisions when adding customers and changing vendors or product lines.
- **Stop solving the same problem.**
  - Document production problems and have the solution be part of your process so your system is learning.
  - Track inventory adjustments related to:
    - Inter-building transfer
    - Staging for production, assembly or shipping
    - Return to stock

Step 3 – Maximize your existing investment

- **Stop leaving money on the table.**
  - Tune your process to increase the power of your best people, partners, customers and capital assets. Smooth production swings so you can pick your ideal vendor and ideal customer.
  - Have the capability to see what is going on in the supply-chain, through execution and after-the-fact reporting metrics on what you've done with vendors, suppliers, and customers – so you can measure yourselves and your partners, and come back to the table to produce better partnerships for the future. Strengthen your customer relationship with quality assurance data that proves vendor reliability, value and a plan for problem tracking and resolution.

Your return on investment:

- The Shop Floor resource center lets you set standards to improve production. Delays tied to unproductive inventory and production processes are smoothed so you can free working capital. Use a system so your customer can negotiate on quality, not on price alone. Offset delays and invest in growth. Express to your customer the long-term benefits of your service and negotiate reliable, long-term contracts at precise levels of price, volume, and quality of service.

A tried and true return on investment:

- The Shop Floor resource center enables you and your customer to coordinate and express the market's product or service demand in precise detail by standardizing the variables used to negotiate final contract terms. Releasing working capital tied to unproductive inventory processes you can then reinvest at an interest rate realized during negotiated and predictable demand. An interest rate is the percentage increase in value that offsets any delay or opportunity cost to growth. Realized returns result by smoothing delays to demand fulfillment and negotiating longer-term contracts at fixed and constant variables of price, volume, and quality (service and delivery time).

Use the resource center to be successful in two ways:

- **1) Cost minimization:**
  - By smoothing production swings you can more reliably pick your ideal vendor and ideal customer.
- **2) ROIC (Return on Invested Capital) maximization:**
  - **Control your inventory in order to:**
    - Know the factors that cause inventory to be at a certain level.
    - React to changes in your market space and cut losses early.
    - Increase the earning power of inventory.
  - **Control all your costs in order to:**
    - Reduce non-value add processes.
    - Operate at a profit without giving jobs away at a loss.
    - Increase the earning power of capital, people and equipment.
    - Increase the margin when a streamlined process is aligned with revenue generation.