

# Pressform Engineering

## ERP SOFTWARE CASE STUDY

### THE PROBLEM

Despite its high-level metalworking capabilities, Pressform struggled to reduce costs and accurately measure key performance metrics such as job costing, estimating, inventory management, labor performance and shop floor efficiency. Management also wanted to simplify the process of identifying and making repeat products that improved their productivity and profitability.

### THE SOLUTION

Implementing Global Shop Solutions ERP for its real-time data tracking and fully integrated shop management system. The company can now accurately measure direct and indirect labor costs, reduce purchasing costs, keep inventory at appropriate levels, and determine the value created within a costed job. These improvements helped raise the gross profit percentage above 42%.

#### ERP APPLICATIONS USED

- CRM
- Dashboards
- Job Costing
- Purchasing
- Shop Floor Data Collection
- Inventory



Customer Snapshot



**CUSTOMER LOCATION**  
Bassendean,  
Western Australia



**FOUNDED IN**  
1976



**INDUSTRY**  
Metal Fabrication



**EMPLOYEE COUNT**  
40



**MODE**  
Make to Order



**CUSTOMER SINCE**  
2016

Located in Bassendean, Western Australia, [Pressform Engineering](#) has been providing expert metal fabrication services for industrial, mining, oil, gas, building, architectural, chemical and water supply infrastructure since 1976. They provide all forms of CNC machining, punching, pressing, bending, rolling, robot welding, general fabrication, laser and high-definition plasma cutting, and work with all metals from stainless, nickel alloys and aluminum to copper, brass, carbon steels, quench and tempered steels.



**Despite the company's ability to deliver** high-quality metal services and products, key performance metrics such as costing, quoting, inventory management, and labor efficiency needed improvement. In 2016, Pressform implemented Global Shop Solutions ERP software for its robust features and capabilities, as well as the fact that the company would provide strong support as an original equipment manufacturer rather than a reseller or agent.

### ACCURATE DATA TRACKING BOOSTS PRODUCTIVITY AND PROFITABILITY

One of Pressform's first goals with their new ERP software called for improving the accuracy of KPI measurements, including job costing. In particular, the company wanted to accurately identify the products that consistently improved in productivity and profitability.

"Global Shop Solutions measures all cost inputs for a job by collecting labor and production data when employees clock in and out of jobs, sequences, and machines," says Jonathon Worner, Group Manager for Pressform. "This enables us to accurately track

both direct and indirect costs, which helps provide a reliable assessment of the value created within a costed job."

"The accuracy of the data has helped raise our gross profit percentage above 42%," adds Worner. "Our ERP system assists with the efficient movement of jobs around the factory floor so that productivity, margins and profits are carefully monitored and assessed to keep cash flow healthy. Now we can easily determine which jobs are perennial burners and assess their true value to the company."

### AUTOMATED PURCHASING LOWERS COSTS

The Automatic Purchasing application has improved efficiencies and lowered costs by consolidating all purchasing requirements into one central location for fast analysis and smart decision-making. It helps purchasing personnel choose the best vendor quotes by tracking last-time purchases, monitoring production and workcenter loadings, and comparing fabrication times on repeat orders.



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"We can cut purchasing costs by reviewing historical work orders to see who is more efficient at certain processing operations, and viewing multiple vendor quotes on materials," says Richard Dolan, Pressform Estimator. "Buyers can work more efficiently by setting up automated purchasing based on material requirements, planning functions, and purchase history."

Other benefits of the software include performing all purchasing activities on one screen, forecasting future buying based on customer histories, using auto reorder points to keep inventories at appropriate levels, and simplifying volume/discount buying. Pressform can even quote more effectively because the reduced costs can be passed on to future quotes.

### REAL-TIME SHOP FLOOR DATA MAKES THE DIFFERENCE

Perhaps the most important ERP feature for Pressform has been the seamless access to real-time data throughout the business. Managers can track the status of jobs in progress by monitoring production live on the shop floor and viewing all the data they need from one screen.

For example, the Supply & Demand screen in the Inventory application enables managers to see jobs, sales, receivables, performance, and more to measure and manage what is happening on the shop floor at any given time. The open work orders and work in progress screens monitor and display labor and material costs from WIP to finished goods.

Dashboards, which can be tailored, provide a big picture view of key production metrics while enabling deep dives into specific details. The Labor Performance Dashboard helps manage labor costs more effectively by combining labor measurement and workforce performance data into one screen. The Master Schedule Dashboard keeps jobs on schedule with complete visibility of all open orders. And the Purchasing Dashboard displays all open POs including those due today and those that are late.

Mark Egan, Workshop Manager for Pressform, attests to the many benefits of having real-time data on hand all the time.

"I know which jobs are being completed in the allocated time and which aren't because Global Shop Solutions monitors it by capturing employee

time," says Egan. "Then I review reports after job completion to capture the true cost against the job. I use many different screens to see what's happening on the shop floor, but the two I use the most are Open Work Orders and Work in Progress to monitor labor and cost from WIP to finished goods. I especially like how I can view the operations and details of each work order through the Dashboard."



### COMPETITIVE POSITIONING

The many improvements in measurements and production processes allow Pressform to compete more effectively in their markets. Quoting is quicker and more accurate. Employees are more observant about time allocation on jobs. The sales team has all the information they need to make smart decisions in their weekly meetings. And on-time deliveries have significantly increased.

"We expected these kinds of results, but one we didn't anticipate was the increase in morale on the shop floor," concludes Worner. "When we look back at where we were and where we are now, it makes sense. Global Shop Solutions ERP impresses and engages new employees with its technology and capabilities. It assists with the efficient movement of jobs around the factory floor, making production easier for everyone and motivating them to take pride in their work and become more engaged in their jobs. We definitely made the right decision with Global Shop Solutions."

