# Alambres Decorativos

*In order to display their products, retail stores need attractive, durable shelving that can stand up to years of daily use. Since 1969, Alambres Decorativos has been helping retailers throughout Latin America increase sales by providing decorative wire shelving for point-of-purchase displays and in-store refrigerators.*



*Implementing cutting-edge machinery simplifies production processes to achieve better results, and deliver quality products on time.*



*Labor segmentation in different workcenters provides better traceability and control in the advance of production.*

Alambres Decorativos is a make-to-order manufacturer of custom displays and shelving, including freestanding display racks for snack item retailers, and wire panels and shelving for large commercial refrigerators, freezers and display cases. Headquartered in Guatemala City, Guatemala, the family-owned company distributes its products throughout Central America and the southern part of Mexico. With a strong design and engineering team, Alambres Decorativos offers complete retail display solutions from design through production.

Prior to obtaining Global Shop Solutions ERP software, Alambres Decorativos managed the business with a variety of spreadsheets and manual processes that did not provide timely or reliable data. Lacking strong inventory and operational controls, management decided to implement an integrated ERP system. After researching several leading ERP vendors, they settled on Global Shop Solutions, going live with the software in 2009. According to IT Director Sigfrido Estuardo Rodas Paz, the decision involved more than just Global Shop Solutions' strong production management capabilities.

"We looked at several good ERP systems, but Global Shop Solutions ERP software seemed like the best fit for us," he explains. "They had more experience working with our type of business, and we felt they understood our process and our company better than the other vendors. We also strongly identified with Global Shop Solutions because, like us, it is a family-owned business."

**Reducing Inventory Levels**
Prior to implementing Global Shop Solutions ERP software, Alambres Decorativos had very few process and system controls, making it difficult to manage purchasing, inventory, and other key areas of the business. And with no central location for storing and managing information, most production data resided in the heads of individual managers, supervisors or production personnel. This inability to move information throughout the organization in a timely manner resulted in a high level of inconsistencies, inaccuracies, and human error.

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Since implementing Global Shop Solutions ERP software, Alambres Decorativos has developed a disciplined, tightly-organized production process where everyone has the information they need to perform their jobs efficiently and effectively. In particular, Global Shop Solutions ERP software has transformed two key areas of the business – inventory and on-time delivery.

"In the past, we didn't know exactly when to buy raw materials," says Rodas. "So we maintained huge inventory levels in order to make sure we had enough materials on hand. With Global Shop Solutions, our purchasing process has become much more efficient. We now buy most of our materials directly to the job or the work order. This has allowed us to significantly reduce our inventory stock levels, and has had a positive impact on cash flow."

### From 45% to Near-99% On-Time Delivery
Perhaps even more remarkable is Alambres Decorativos' newfound ability to get the product out the door on time.

With its old, outdated manual production management systems, the company's on-time delivery rate hovered around 45% – a woeful number for today's just-in-time manufacturing environment. Since deploying Global Shop Solutions ERP software, that number has climbed to nearly 99% on a consistent basis.

"Our operations have become more efficient because we know in real time where every job is in the production process," explains Rodas. "We know when every job gets started, where it is on the shop floor, and how much time remains until the job is completed. With the Advanced Planning and Scheduling (APS) application, we can now identify bottlenecks when they occur rather than after the fact. This allows us to step in and take the corrective action needed to get the product out on time."

"For example, if APS tells us we have a capacity overload situation coming up, we can add a second or third shift, or do whatever else it takes to make the due date. Global Shop Solutions ERP software gives us visibility on the production side that we didn't have before, which makes it easier to comply with due dates."

### More Accurate Job Costing
Another critical factor affecting Alambres Decorativos was cost control.

In the past, the company lacked the data and systems needed to manage costs. With Global Shop Solutions ERP software, management now knows which products provide the best gross margins, who their best customers are, and how much each job costs from start to finish. More importantly, they can quickly determine whether they will make or lose money on each job, enabling them to quote jobs with greater accuracy.

In addition to cutting costs and simplifying production processes, Global Shop Solutions ERP software also enables Alambres Decorativos to use their personnel more effectively.

"Now that we can control our inventory and production processes, we can make better decisions on how to structure the company," says Rodas. "Because it tracks everything so precisely, Global Shop Solutions gives us a better understanding of the talents and capacity of our people, including identifying which employees are best suited for a certain machine, workcenter or position. This allows us to utilize our resources more efficiently, which makes the entire company more efficient and effective."

*The Alambres Decorativos slogan is, "A display is a salesperson without a salary."*

### The Big Picture and the Details
A good ERP system does more than just track information in real time. To be truly effective, it has to organize the data and allow people to view it in ways that fit their preferences. It has to provide management with the big picture as well as the details of the business.

And the software has to be flexible enough to adapt to the unique needs of the company's operating environment. According to Rodas, Global Shop Solutions ERP software excels in all these areas.

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To get the executive overview, Rodas accesses Global Shop Solutions ERP software Dashboards on a daily basis. There he quickly reviews key operating, production and sales metrics from one simple screen. Similarly, production workers and administrative staff regularly use the powerful Supply & Demand screen for quick access to data in their specific areas, as well as a big picture overview of what is happening elsewhere in the company.

Alambres Decorativos has made several customizations to the software, including a few custom reports to organize certain production data in a more useful format. Additionally, they have chosen to download existing tools created by other customers using GAB (Global Application Builder) scripts and available in the ARC Store.

Rodas also likes Global Shop Solutions ERP software's numerous system support and administrative features.

"Global Shop Solutions makes it easy for me to control who has access to each part of the system," he says. "I can easily see who is logged on where, what they're working on, and everything I need to track jobs as they move through the shop floor."

### Competing at a Higher Level

Put all the advantages of Global Shop Solutions ERP software together and what you get is a well-run manufacturing company that can compete more effectively in the marketplace.

The Auto Purchasing module makes purchasing fast and lean. The Shop Floor Data Collection stations allows workers to log on and off jobs electronically, making it easier to control both direct and indirect labor costs. Downtime is minimized as managers know at all times who is working on what and what's coming next at each workcenter. The Shop Floor Data Collection stations also integrate with the Quality Control application, which facilitates the process of identifying rejects and taking corrective action.

To keep up with customer demand, Alambres Decorativos often operates around the clock in three separate shifts. According to Rodas, Global Shop Solutions ERP software handles the time & attendance and job costing – two major issues when working multiple shifts – with ease. And many of the Global Shop Solutions ERP software screens are in Spanish so Rodas and his staff find the system easy and intuitive to use.

"Global Shop Solutions ERP software makes us more competitive in many ways," acknowledges Rodas. "Knowing our true cost structure gives us more flexibility in adjusting the margins for each job. We know beforehand whether we will make or lose money on a job, so we can adjust the margins accordingly. And the ability to deliver on time is huge with our customers. Often it's the reason they choose us rather than a competitor."

"On the operational side of the business, Global Shop Solutions ERP software allows us to sell more and grow the business without hiring more people. And because we have so much control on the manufacturing side, we can grow without having to invest huge amounts of money in new manpower or resources. Simply put, Global Shop Solutions is a great product backed by great service."



*A machine operator updates a job with the barcode scanner through the Shop Floor Data Collection station.*

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