

GLOBAL SHOP SOLUTIONS CASE STUDY

Compac Furniture

Compac Furniture is New Zealand's largest bedroom furniture manufacturer, providing fully assembled and flatpack furniture to retail and commercial customers. Located in the Northland town of Dargaville, the company's bedroom furniture products range from Scotch chests, tallboys and bedside cabinets to lingerie chests, lowboys, wardrobes, dressing tables and more. Other product lines include entertainment centers, media platforms, and DVD towers, as well as home/office units, student desks and bookcases.



A Compac Furniture inventory storeroom.



Assembly line in the Dargaville, New Zealand, facility.

Owned by Mako Enterprises, Compac works closely with two other Mako subsidiaries – Paneltec Industries, which manufactures raw materials for Compac; and Enhance Furniture, which buys furniture from Compac and sells direct to apartments, aged care and medical housing.

Prior to purchasing [Global Shop Solutions ERP software](#), Compac used a small ERP system to manage production. Their goal was to learn what ERP could do, and then upgrade to a more robust system. After researching several larger ERP systems, Compac selected Global Shop Solutions.

“We wanted a customizable package from a company big enough to produce a sophisticated ERP product but small enough to listen,” says Ken Simpkin, Business Development Manager for Compac. “The product was competitively priced, and Global Shop Solutions was very responsive to our needs.”

Fast, Accurate BOMs and Routers

Compac uses a CAD/CAM software program to design and build its products. Prior to Global Shop Solutions ERP software, this required exporting all part information from the design program into an Excel spreadsheet to build their BOMs and routers. Planners then had to import the information, piece by piece, back into their ERP system to build their products.

Since building a [Global Application Builder](#) (GAB) application that links Global Shop Solutions ERP software to their design software, Compac can now import all part information directly from the design program, allowing them to create BOMs and routers in a fraction of the time it used to take.

“We offer a lot of options with our products, so our BOMs can have up to 30 or 40 multi-level lines,” says Simpkin. “With our [CAD integration](#), instead of having to manually import and export the data and laboriously build each BOM and router, the system builds them for us. The time savings are enormous.”

The GAB app also helps Compac manage its large stock of premade components by checking for existing parts in component inventory before creating new ones.

“Instead of automatically creating new parts, the system first looks to see what we have in stock and adjusts the production total accordingly,” says Simpkin. “This saves time and keeps us from over-building parts.”

Labor Costing By Op Code

All of Compac’s labor steps run off op codes, so labor costs are based on the material properties, such as length and width, being used for the job and the number of parts that go into a job. Again, the GAB app lends a hand.

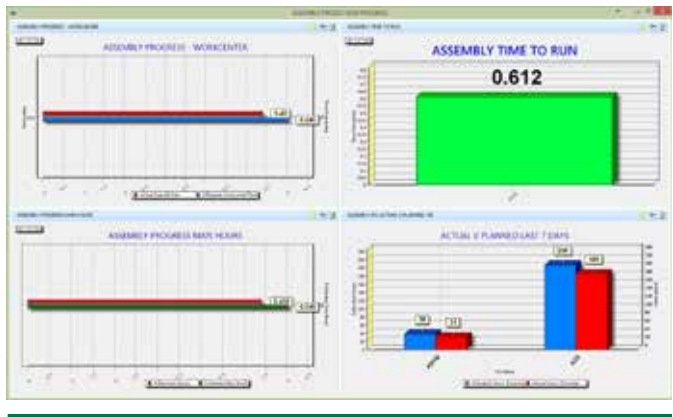
“The system calculates all material and labor costs by op code, and also updates the formulas we use in our op codes,” explains Simpkin. “If we change a processing code in the formula, the system automatically recalculates the labor everywhere that formula is used. This is another huge time saver, and helps us identify our costs more accurately.”

Custom Dashboards Motivate Performance

Global Shop Solutions ERP software’s superb integration with third-party software doesn’t stop there. By linking the software to a small business dashboard package, Compac created a number of custom dashboards to help manage time, labor and other production metrics.

The dashboards are installed at all workcenters and pull data directly from Global Shop Solutions ERP software. The dashboard display real-time production metrics, such as planned labor hours versus actual labor time currently consumed on a job, as well as the amount of hours or minutes left to complete the job within budget. They also display historical graphs, such as actual versus planned op code performance over the last 28 days.

“We might have five or six different technicians at a single workstation signed in on a fixed schedule of 20 to 30 jobs,” says Simpkin. “These dashboards show at a glance how long we have planned for each work center team. Workers can look at the graph and instantly see how many hours they have left to go, based on what we have planned.”



Compac’s custom Assembly Progress dashboard.

Faster Turnaround with Global Shop Solutions

According to Simpkin, the biggest difference with Global Shop Solutions ERP software is the visibility of data throughout the company. He also appreciates the timely service and support provided by Global Shop Solutions’ local resources in New Zealand as well their international staff.

“We now know exactly what’s going on in the shop floor at any given time, which allows us to make better management decisions,” he says. “We can create new products faster, and we’ve also seen significant productivity improvements on the admin side, especially with the Customer Relationship Management (CRM) application.

With CRM, sales and service reps can access a customer’s entire history – including quotes, jobs, and sales – from one screen. They can make appointments and set events quicker. And they can answer most customer questions without having to call back. All of which leads to a leaner, more responsive company.

“We’ve built our business around quick turnaround time,” says Simpkin. “On the retail side, we can usually turn orders around within a couple of days. We couldn’t do that without making so many component parts in advance, and we couldn’t manage that process without Global Shop Solutions ERP software.”

“Having all the data live in the system has reduced our administrative time and overhead. Our costing is more timely and accurate, which allows us to adjust our pricing when necessary and still make margins. And Global Shop Solutions provides great service and support. It’s everything we were looking for in an ERP system.”

