

GLOBAL SHOP SOLUTIONS CASE STUDY

H&R Mfg. and Supply, Inc.

By maintaining a quality level foreign competition finds hard to achieve, small American shops are proving they can win new markets for their goods. *H&R Mfg. and Supply, Inc.*, a workholding tool producer located deep in the piney woods of East Texas, lives this philosophy every day. In fact, it is the uncompromising faith in their skills and lean business model that has given H&R Mfg. and Supply the edge they need to face foreign competition head-on.



H&R Mfg. and Supply Founder Harvey Hivnor is now in his second decade of being a loyal and close-working customer of Global Shop Solutions.



H&R Mfg. and Supply Vice President Derek Hivnor checks job and employee clock status on the Shop Floor Data Collection station.

H&R Mfg. and Supply's Quality Workholding Tools Hold Customers' Loyalty

Side by side with H&R Mfg. and Supply for over 15 years, Global Shop Solutions ERP software is the system they rely on for the cost-cutting efficiencies that feed margins. Like many other Global Shop Solutions customers, H&R Mfg. and Supply's initial foray into ERP began as a growing need for shop control. Today, H&R Mfg. and Supply incorporates Global Shop Solutions as the foundation of their ERP approach in building their workholding jaws, chucks, right angle drives, steady rests, V-blocs, adapters, and thrust bearings.

"My dad, Harvey Hivnor, started the business in 1980," recalls Derek Hivnor, H&R Mfg. and Supply Vice President and General Manager. "It's a family-run company. I've grown up here and have been in the business all my life. Early on, we were using an accounting system to run the shop, and then in the 1990s, with about 170 machines out on the floor, we started to realize we needed a strong ERP software system. That's when we talked to Global Shop Solutions, bought and implemented the system, and we've been very happy with it ever since."

Consistent Costing and Pricing Controls

ERP software brings to H&R Mfg. and Supply the **control and costing** that is vital in an increasingly competitive global economy. The formula of high quality plus price value is where H&R Mfg. and Supply has staked their claim on the workholding tool marketplace. Hivnor states that efficiency through costing and productivity is responsible for remaining a powerful competitor in their industry.

"Global Shop Solutions is one system that does everything," said Hivnor. "We mainly got it as a **shop floor control system**, and we've implemented more and more functionality as time has passed and Global Shop Solutions has increased their capabilities. From **payroll** to **accounting** to shop floor control, it focuses everything for us in such a way that we no longer need multiple systems to keep track of the numbers."

Language is No Barrier to Accountability

H&R Mfg. and Supply is convinced that the best method for them to achieve maximum productivity and the most rapid return on their software investment is maintaining accurate data collection. Tracking is particularly challenging when employees' second language is English. Global Shop Solutions ERP software provides H&R Mfg. and Supply operators with the option of logging into jobs using a Spanish-language screen. The whole function of routing and data collection is facilitated through user-friendly [Shop Floor Data Collection](#) stations placed throughout the H&R Mfg. and Supply shop floor.

"We've installed the Shop Floor Data Collection system," observes Hivnor, "and that's been absolutely phenomenal for us. In the past, our employees were not held accountable for everything they were doing. Now, with these stations, we're pro-actively managing problems. All employees are held accountable for what they're doing, how they're doing it, and it gives the managers a better way to manage the business itself."

"The Shop Floor Data Collection system has helped a lot in terms of the English-to-Spanish conversion" adds Hivnor. "Many of my employees aren't fluid in English, and the system displays in Spanish helping them clocking in and out. For the front office people, the stations have helped in the transition to a more sophisticated ERP software program. Our average seniority here is about 15 years, so we have a few 'old timers' who didn't grow up in the computer age of machine shops. With the Shop Floor Data Collection screen, they also find the system easier and easier to use."

Unmatched Tracking Capability

Today, manufacturers must track complete information folios associated with their product production. The stakes are too high to leave cost accounting to chance, and with ERP software, H&R Mfg. and Supply has found the means to stay competitive against foreign manufacturers offering lesser quality products at lower price points. Again, managing shop floor efficiency through empirical data is where H&R Mfg. and Supply finds the key differentiating aspect of their production.

"Our data collection system used to be 'garbage-in, garbage-out'," says Hivnor. "As managers, we would be going off everything the shop floor operators put in. Well, we found out that what they put in and what was actually happening were often two different things. Now, we're getting good information in; therefore, our costing is more in tune with the reality of our production time. We just had a price decrease, and the only way we could achieve that was by having Global Shop Solutions ERP software in place and managing every detail and getting more costs out of the product. We really need Global Shop Solutions in order to stay ahead of competition."

ERP Software Innovation in Wireless Tooling Systems

When you're a small manufacturing business looking for the competitive edge that will achieve profit through cost reduction, lean methodology mandates you look at every aspect of your business for waste reduction measures. One key indirect cost often identified through lean examinations involves the processing of tooling orders, and the down/transit times for operator acquisition of tools.

When operators take valuable time searching a shop floor for tools, or waiting for the tool-crib to find and distribute tools to them, relative production costs needlessly rise. This was the case with H&R Mfg. and Supply, and it was the driving force behind Global Shop Solutions' creation of a wireless self-service tool crib for their shop.

"Because Global Shop Solutions is so completely integrated, we're able to do many things we couldn't do before using separate software applications," says Hivnor. "For example, we've gone to a wireless service in our tool crib. I can safely say that the Global Shop Solutions [wireless system](#) has taken my costs down by about a third of what they were before we integrated. Now, I have someone in charge of the tooling area in my business."



Boring mill jaws produced by H&R Manufacturing & Supply await completion on the shop floor.

In short, the Global Shop Solutions mobile system is helping H&R Mfg. and Supply manage tool distribution, while at the same time cutting tooling and other direct costs considerably. This has helped H&R Mfg. and Supply reduce their pricing while maintaining quality – a good way of staying competitive.

Hivnor points out that H&R Mfg. and Supply costing has improved so much so that they have a much clearer, accurate, and real-time picture of what can be done to keep their quality without sacrificing their margins. Specifically with Global Shop Solutions ERP software, the company has been able to get a tighter grasp on overhead rates in order to provide accurate quotes and assess actual-versus-estimate outcomes.

“With the time-clocking capability of our Global Shop Solutions system, as well as the wireless connections in the tool room and tool vending machines, we’re now charging those disposal goods to the jobs themselves,” states Hivnor. “So, we have now what is really a true cost, rather than a more arbitrary standard overhead cost.”

Daily Quality Assurance

Speed and complete data are both essential in making good business decisions. For H&R Mfg. and Supply, Global Shop Solutions ERP software allows managers rapid access to a wealth of information to achieve consistent shop floor control. It’s a system that helps H&R Mfg. and Supply realize total quality management each and every day.

“Quality Control is absolutely important to us in the way we do business, and using the Global Shop Solutions router system, we have first piece inspection all the way through the router documentation,” says Hivnor.

“Because of this, we can make sure that the quality is there, and every piece in every lot meets the test of being the highest caliber. It’s something we strive for as a United States manufacturer, and the quality must always be there and at a value pricing. As far as helping us track quality, Global Shop Solutions keeps everything in line in the router, including material data collection, all within one neat system.”

Tapping into Practical Tools

Over the years, H&R Mfg. and Supply has increasingly become a proficient user of nearly all aspects of their ERP software. It’s the mark of excellence in a continuous improvement approach, and something that H&R Mfg. and Supply takes great pride in as a testimony to their diligent dedication for shop management. Their successful use of the complete Global Shop Solutions ERP software is also a major factor in controlling costs in order to build profitability during both downturns and upswings in business.

“I use the Supply & Demand screen the most,” observes Hivnor. “I can see it all there, and it helps minimize the number of places I have to go to get information. I do a lot of the payroll and sales management functions there as well. I also look at the sales data and job costing, and this is where Global Shop Solutions helps me the most – in keeping track of the information for a sort of combined analysis approach. They all go in a day’s work.”



Derek Hivnor shows how barcoding facilitates the distribution and recording of tool use by their operators.



An H&R Mfg. and Supply operator produces workholding tools at one of the 170 machines located around the Willis, Texas, facility.

"We installed the [Advanced Planning & Scheduling](#) application, and it's been a great help to us," says Hivnor. "Also, Global Shop Solutions is an important tool for keeping track of the orders, and the various reports we use. They all help tell you where you are and where you need to be. We use Crystal Reports everyday. I might add that for tracking and shipping information, we're linked up with UPS to send confirmation on each one, so that means less paperwork for us. We also barcode and scan everything. This helps limit the many human errors that we once had. Generally, the flow of the shop has improved tremendously with Global Shop Solutions."

It's All About Customer Service

H&R Mfg. and Supply and Global Shop Solutions are both family-owned and operated businesses that maintain a keen eye on customer satisfaction. Quality service is what separates H&R Mfg. and Supply from companies with less personal approaches to business.

In this same way, Global Shop Solutions maintains a steadfast and positive service relationship with H&R Mfg. and Supply. This allows H&R Mfg. and Supply to focus on what they do best: workholding tool manufacturing. Putting their customers first is the foundational hallmark of everything they do.

"All of us at H&R Mfg. and Supply have known the people at Global Shop Solutions for a good while," says Hivnor. "They're a family-run business; we're a family-run business. Global Shop Solutions always helps us out and gives us anything we need, and their Service Department has done wonders for us over the years. When I send an email or call them regarding our service, someone is back to me within 10 minutes. I'd have to say that their quality of service is the primary reason they keep customers like us for so long."



A group of finished double-step hard jaws awaits packing and shipping.

Powerful Partners

For Hivnor and H&R Mfg. and Supply, their long relationship with Global Shop Solutions has provided ways of keeping their shop productive and profitable through both bountiful and lean times. The robust functionality of Global Shop Solutions ERP software means finding ways of always improving costing while maintaining quality production.

Hivnor concludes, "Global Shop Solutions has helped H&R Mfg. and Supply succeed because of the organization it provides for us to manage business, to manage the costs, and to manage every other aspect of a successful operation. The best thing is that Global Shop Solutions gives us all the information we could possibly need in order to be a better competitor in the world today."