

GLOBAL SHOP SOLUTIONS CASE STUDY

Heat Treatments Ltd

Heat Treatments Ltd is a third-generation family-owned business specializing in the heat treatment of steels and alloys for manufacturers around the world. The company also provides manufacturing, grinding, and machining services in an ISO9001-certified machine shop. Headquartered in Auckland, New Zealand, Heat Treatments provides a reliable one-stop sourcing solution for manufacturers needing specialized engineered parts.



Heat Treatments is headquartered in Auckland, New Zealand.



A section of Heat Treatments' shop floor dedicated to heat treating and surface finishing for steels, alloys, and other metals.

Over the years, Heat Treatments deployed different ERP systems to manage their shop floor. These systems handled the manufacturing side of the business in a capable manner but lacked the functionality to handle the heat treatment service side. As the business continued to grow, so did the need for a more flexible, customizable ERP product that could manage the company's two separate business streams in an all-in-one system.

Heat Treatments acquired [Global Shop Solutions ERP](#) and went live with the software in November 2019, setting in motion ongoing improvements in many areas of the business. According to General Manager Fergus Thomson, Global Shop Solutions' ability to seamlessly handle multiple business streams in an integrated system played a key role in the decision to buy the software.

"Our overriding goal with the new ERP system was to manage direct resources – staffing costs, equipment, and machine tools – more effectively, and Global Shop Solutions proved to be a perfect fit for the manufacturing side of the business right out of the box," says Thomson. "It allows us to map and track work within the machine shop in real time, enabling us to [capture labor and job costing](#) with greater accuracy. We've also made significant improvements in scheduling and [inventory management](#), and know the current status of sales orders, work orders, and jobs in progress at any given time."

On the heat treating service side of the business, the ability to customize the software without changing the underlying code or hiring expensive outside programmers has been a real game-changer for Heat Treatments.

"The [Global Application Builder \(GAB\)](#) allows us to customize various aspects of the software without having to bolt on third-party applications to do what we need," says Thomson. "We now have deeper insight into our cost structure on both sides of the business. And we have the productivity tools in place to improve estimate versus actual measurements, which is critical for getting our pricing and costing in line."

“As we continue to develop our fluency with the software, it will allow us to manage a lot of the services and indirect business activity while allocating those costs to the appropriate workcenters and activity areas,” he continues. “These and other process improvements have helped us become more reliable with delivery expectations to our customers.”

Planning for Special Exception Jobs

Meanwhile, Heat Treatments’ scheduling planners continue to enhance their skills with the **Advanced Planning & Scheduling (APS)** application. In particular, they are using it to address different customer expectations, such as special exceptions on lead times. When customers request these exceptions, planners look at current and upcoming capacity and load to determine whether the company can meet the request.

“The many training and educational resources available in Global Shop Solutions played a key role in helping us get up to speed on APS,” says Thomson. “Our planners used the Friday Features webinars, with help from the Customer Success Manager to learn how to use the APS system settings more effectively. We’re still learning all APS can do, but we’re on the way to realizing the full benefit of the application.”

Exploring New Applications

In less than 18 months, Heat Treatments has improved margins and profitability in both areas of the business. Knowing the true costs of each job has allowed them to reprice much of their work with confidence while delivering better service to their manufacturing and service customers. Yet, Thomson feels the business has just begun to take advantage of all the system can do.

“After we got comfortable using the basic features of the software, we began customizing some processes and reporting using GAB and **Dashboards**,” he says. “Now we’re exploring the use of software **integrations** such as Microsoft Power BI to get good data out of the system. We also plan on rolling out **TrueViews™** to make live data accessible to everyone on the shop floor.”

“Global Shop Solutions is a great tool, and we know there’s a lot more we can do with the system,” concludes Thomson. “The manufacturing industry is undergoing rapid change, and we regard the software as potentially evolutionary for our business in terms of what we need to do to remain competitive. We’re very pleased with the results so far, and looking forward to where it will help us go in the future.”



Heat Treatments’ Bogie Hearth Furnace reaches temperatures of over 800 degrees Celsius.