

## GLOBAL SHOP SOLUTIONS CASE STUDY

# Liberty Brass Turning Company

*Liberty Brass Turning Company* was founded in 1919 by Max Zuckerwise, and exemplifies the entrepreneurial business growth of the American Industrial Revolution. Headquartered in Westbury, New York, Liberty Brass is now the largest stocking manufacturer of screw machine products for the lighting industry in the country.



*Liberty Brass' headquarters in New York.*



*A collection of Liberty Brass products.*

"You know, when I came into the business over 35 years ago, there were seven or eight competitors in the New York City area in the brass machining industry," recalls David Zuckerwise, Chairman of Liberty Brass. "They all knew each other because they had all been related or connected in one way or another – their founders, including my family, had worked together in local shops before going out on their own. But today not one of them exists with the exception of us. And, part of the reason this is true is due to Global Shop Solutions ERP software."

By the time David Zuckerwise and his brother Peter started working in the family business in the early 1970s, American manufacturing was beginning to experience significant economic and philosophical turmoil. President Nixon opened up the world to Chinese manufacturing, the climate for globalization heated, and American businesses, one after the other, fell to the onslaught of cheap imports sent by the ship-load across the Pacific. The 'traditional' ways of doing business no longer held. And if a company resisted change, or stagnated in denial or otherwise ignored the globalization movement of the 1980s and 1990s, there was the great likelihood it would simply fade away. This was particularly true of the metal arts industry.

Liberty Brass did not stand still. Management proactively looked for a new business model to meet the reality of globalization head-on, and the Zuckerwise family soon found the formula. By strategic design, they decided to make the transition to outsourcing to both American and Asian companies when it proved profitable to do so. Already well known as a prime manufacturer of quality lighting and lamp components, with the development of a larger catalog of metal lamp parts produced by other sources, Liberty Brass moved beyond just being a New York manufacturer – now they were an importer.

Then, as things were starting to look up for Liberty Brass, along came Y2K.

"We were using an accounting software package, and when Y2K was rolling around, we started looking for a more complete ERP software system," says David Zuckerwise. "The accounting software was simply too old and couldn't handle the Y2K transition. We were referred to Global Shop Solutions, took a look at the software, bought it, and we haven't been sorry since."

In Global Shop Solutions ERP software, Liberty Brass discovered that greater **shop floor efficiencies** can easily translate into tangible gains in the bottom-line.

Liberty Brass is now thriving and competing in the global economy, and was recently named one of New York's top entrepreneurs by Crain's New York Business magazine.

"Global Shop Solutions helped us to succeed because it helped us facilitate our outsourcing, led to more efficient manufacturing, to different machining methods, and to better shop process controls," says David Zuckerwise.

"As a **powerful sales tool** for me, the software has also given us a tremendous advantage in weathering the storm of globalization," adds Peter Zuckerwise, Co-owner and President of Liberty Brass. "Global Shop Solutions is simply an excellent business instrument for our company."

### **Job Cost Accounting Saves Money**

Liberty Brass makes great use of the abundant tools in their ERP system. The **accounting** department is fully integrated into the software, and it is here where costing helps to simplify procedures.

Through Global Shop Solutions ERP software, Liberty Brass captures, stores, and analyzes customer, vendor, partner, and internal process information quickly and easily.

"**CRM** is terrific for our sales department and I love **inventory** supply and demand," states David Zuckerwise. "These are the things I go into five or 10 times a day. "

In fact, Liberty Brass was getting positive ROI through Global Shop Solutions **job cost accounting** right from the start. It's a story David Zuckerwise likes to tell:

"Within the first six months of using Global Shop Solutions, we were already saving money with the software. We had a 20,000 piece run for a particular hex-nut come in, and because I was able to access the history records of the previous run through Global Shop Solutions, I could see the true cost of this job. It was a job that was supposed to run in about 20 seconds – about 135 an hour plus downtime (machine adjustments, stocking, etc.). But as we were getting ready to run the job, we found that the history told us that the manufacturing timing was more than double what was budgeted in our pricing model. As it stood, Global Shop Solutions told us that if we had actually run this job, we would've taken a \$23,000 loss. We immediately looked for and found a source that could, instead, make this nut on a more appropriate piece of equipment. In the end, with this one order, we turned what was going to be a major loss into a \$30,000 gain. We eventually found that this sort of ROI was not unusual in our Global Shop Solutions software as this performance has been replicated over and over in the time we've had it."



*One of Liberty Brass' best selling brass balls.*

The robust job cost accounting software has transformed the way Liberty Brass thinks about its profit centers. The integral work order detail history is something that is referred to in quoting, and is a vital means to see where the shop floor is on the learning curve with different products. Prices are adjusted more frequently, and the shop occasionally loses production orders because of it. David Zuckerwise, however, doesn't see this as a necessarily bad thing.

"We sometimes lose certain jobs to our benefit – not our detriment," says David Zuckerwise. "This is because these jobs have been shown by cost accounting through our Global Shop Solutions reporting system to be unprofitable at the price we ran it in the past."

In short, job cost accounting is part of an operation-wide strategy that emphasizes margin as a means by which jobs are considered for production.

### **Liberty Brass -- Their Future is Now**

With Global Shop Solutions ERP software at the administrative center of Liberty Brass, it doesn't take a lot to run their front office. Administration consists of just a CFO and two office staff, making the front office one of the most cost effective areas of the plant.

"We're very, very lean and we're lean because of Global Shop Solutions," says David Zuckerwise.

These efficiencies are vital to the company as Liberty Brass continues to grow their business through outsourcing. Eventually, this might mean the movement of machinery and manpower overseas, and it is a move they would never make without Global Shop Solutions ERP software.

"It's important that we have Global Shop Solutions workstations in place overseas that are fully communicable and fully integrated within our system here in the States," says David Zuckerwise.



*Liberty Brass employees on the shop floor.*

### **Customer-Centric Operation**

Peter Zuckerwise points to the customer relationship management capabilities of Global Shop Solutions ERP software as a primary reason Liberty Brass is so rapidly responsive. They find the CRM is an important tool for fine-tuning their customer relationships.

"Up in the sales end of our business, I use Global Shop Solutions for the customer contacts and customer service," explains Peter Zuckerwise. "For example, when we enter an order, we can see all stages of the order immediately and see exactly where the job is in the factory. We have instant production information all of the time."

He adds that as Liberty Brass is a primary competitor in the global marketplace, the Internet communication capabilities of their ERP software makes his life that much easier during his business travel.

"I can also look at all of our information from my computer which is networked into our office computer, and that's a great convenience for me," says Peter Zuckerwise. "So, when I'm in the field or on the road, or I'm traveling to a sales call and a customer asks me about a particular job, I can actually log onto that job from a distant location and see precisely where it is on our production floor, and that's a huge sales benefit for me."

Ultimately, for a company that's been around as long as Liberty Brass, continued success for another 90 years will come through a proactive approach that anticipates future consumer needs and manufacturing efficiencies to meet those needs. In an ever-shrinking, ever-competitive global economy, metal arts production requires creative business thinking in order to remain profitable while surviving in the supply chain. The Zuckerwises and Liberty Brass have discovered that the future is now; emerging economies mean emerging competitors. It is the reality of the global challenge today.

With their Global Shop Solutions ERP software at their side, Liberty Brass meets that challenge through a clear vision of what is needed for a brighter tomorrow.