

GLOBAL SHOP SOLUTIONS CASE STUDY

Louis Industries

Located in Paynesville, Minnesota, *Louis Industries* is a steel processing company that specializes in supporting lean, rapid-response manufacturing. Using state-of-the-art laser, turret, welding, and metal forming equipment, the firm designs and manufactures custom parts and components for a variety of OEM customers.



One view of Louis Industries' shop floor full of larger than life machinery.



A Louis Industries employee cutting steel.

A third-generation, family-owned business, Louis Industries first opened its doors in 1940 as the Louis Blacksmith Shop, shoeing horses, fixing agricultural equipment, and doing general repair and maintenance for local residents. In 1973, the company began migrating from a general blacksmith to an OEM producer of wood burning stoves and hog and cattle equipment. In the early 1990s, Louis Industries took another major turn by cutting back on the OEM work and developing the steel processing side of the business.

Today, Louis Industries is a leading steel processor and major regional supplier of mild steel, stainless steel and aluminum. Its services also include rolling, shearing, hardware attachment and engineering. Louis Industries is ISO 9001:2008 certified.

After nearly 60 years of managing the business with manual time cards, spreadsheets and paper files, ownership recognized the need for a sophisticated business management system to keep up with the rapidly changing manufacturing environment. They chose Global Shop Solutions ERP software.

"We liked the functionality and the flexibility of the system," says Louis Industries COO Lance Louis, "especially the powerful [Advanced Planning & Scheduling \(APS\) application](#). To this day, efficient scheduling presents a challenge for us, but APS provides the visibility of data and scheduling features that allow us to respond quickly to short lead times and changing customer orders."

"We also liked the fact that Global Shop Solutions was (and still is) a family-owned company," continued Louis. "They 'got' our business and spoke our language, which made us very comfortable in moving forward with them as our ERP provider."

Challenging Scheduling Simplified with APS

On any given day, Louis Industries can have up to 300 work orders moving through the shop floor. In addition to the very short lead times for most jobs, customers often call in with emergency "drop-in" jobs.

For example, a long-term customer might need a quick prototype for something they're redesigning. Making the prototype fast enough to meet the customer's needs without disrupting current workflow presents a real challenge.

Using APS' finite scheduling feature and the ability to see capacity on each machine, Louis Industries can keep the work flowing smoothly and give drop-in customers a more accurate estimate of when they can complete the job.

"We can do all sorts of pre-planning," says Louis, "but when it comes down to the pecking order at each machine, we always have to do some juggling. APS helps us simplify the workflow by providing the information we need to make better decisions, especially when it comes to job setup. We've also created some custom APS reports that help us identify process errors so we can fix them before they become major problems."

600% Sales Growth

Since implementing Global Shop Solutions ERP software, Louis Industries has grown by 600%, yet their workforce has only increased by 300%. Louis attributes much of this growth to years of working with the software, which has allowed the company to evolve with the industry and develop processes to meet customers' changing needs.

"As the industry continually moves toward lean manufacturing, everyone wants an inventory level of zero," he says. "With the processes we have built over the years to lean our own company, we can work with customers to become lean because we've set up our system to handle it."

"Global Shop Solutions has helped us evolve as the thinking behind business evolves," continues Louis.

"Everything is faster, lead times are shorter, and everyone wants just-in-time. We've learned to help our customers solve these and other problems by developing an agile, functional production system that can adapt to what each individual customer needs."

Improving Inventory Turnover

When the agriculture industry took a nosedive, Louis Industries had a lot of **inventory** on hand that a large customer had committed to taking. The company couldn't afford to hold the risk and the customer didn't want to, so management set about developing a better way to manage inventory.

First, they evaluated all internal processes. Then they began using Global Shop Solutions ERP software to trigger certain processes that would help eliminate unnecessary inventory, stop making products too far in advance, and make only what customers want when they want it.

"Now, all inventory we hold is tied to orders," says Louis. "We work with our customers on forecasting, seasonality and blanket orders. Then, based on constraints within our workflow, we focus on having certain items in WIP to ensure these items are cut ahead of time and available for specific work stations. When we have a dip in the schedule, we pop these items in and keep a steady flow. We now turn our inventory 13 times a year, which drastically reduces what we're holding for customers at any point in time."

ERP Software for Today and Tomorrow

As long-time users of Global Shop Solutions ERP software, Louis Industries has seen a lot of changes in the software over the years. Management constantly upgrades to the latest version of the software to take advantage of the new features and functionalities.

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They have begun developing more custom **GAB (Global Application Builder)** scripts to adapt the system to their unique operating environment. They have also downloaded a number of custom dashboards from the ARC store, a web portal that contains more than 1,000 free custom screens, scripts and applications developed by Global Shop Solutions customers.

According to Louis, even as the software has grown in complexity and sophistication, it remains easy to learn and use. The **Shop Floor Data Collection stations** allow shop floor employees to quickly log on and off jobs. The customizable reports provide data in preferred formats. And the ability to manually eliminate spreadsheets saves time and improves productivity.

“Global Shop Solutions constantly stays on top of how things are evolving in the manufacturing world,” says Louis. “They listen to their customers saying we need this or it would be nice to have that and then make it part of the system. Even though we’ve had the software a long time, we’re still learning more and evolving with it to continually simplify what we do and how we do it.”



A fun steel product for one of Louis Industries’ customers.

Building a Community of ERP Users

Louis credits Global Shop Solutions ERP software with improving his company’s competitive position. Unlike many manufacturers, however, he doesn’t worry about the competition.

“We feel that if we do what we need to do internally, the competition doesn’t matter,” he says. “In fact, we want our competition close to us. When more companies manufacture in a local area, it attracts trade schools and suppliers and builds a tremendous knowledge base. I would like to see every manufacturer within 30 miles of here run the same ERP software. That would create a community of experts, and drastically reduce the time it takes to train people.”

In the meantime, Louis takes advantage of the Global Shop Solutions user community throughout the Midwest to learn more about the software. He frequently meets with other Global Shop Solutions users to evaluate processes, share best practices and help each other find ways to solve problems by using the system more effectively. When the opportunity arises, he also recommends the software to other manufacturers.

“Any time we hear of someone in the area looking for an ERP system, I tell them to be sure to look at Global Shop Solutions,” concludes Louis. “The software is easy to operate. It provides quick access to the data we need to make smart business decisions. And it’s flexible enough to keep up with our ever-evolving business model. We wouldn’t be where we are today without it.”