

GLOBAL SHOP SOLUTIONS CASE STUDY

Pazmac Enterprises Ltd.

Located just outside Vancouver in Langley, British Columbia, *Pazmac Enterprises Ltd.* has provided precision machining excellence for original equipment manufacturers (OEMs) in locations across North America. Operating since 1972, Pazmac is certified to ISO 9001:2008 standard.



Pazmac has been a trusted machining and manufacturing company since 1972.



Pazmac uses quality assurance equipment, such as this Zeiss Contura G2 RDS.

Pazmac found Global Shop Solutions ERP software in a unique way: at a tradeshow. In 2000, Pazmac's Controller George Pacheco and others from the company had been through several ERP software package demos, yet they couldn't find anything close to fitting their search criteria. Then came that fortunate intersection with Global Shop Solutions at the tradeshow.

"When we saw the Global Shop Solutions presentation, we knew it was something very different, that it was a product of quality, not just something filled with a bunch of functions we didn't need," recalls Pacheco. "And, what we saw was a lot more user-friendly than all the rest. During the demo, we kept throwing scenarios at the Global Shop Solutions salespeople, and they were able to duplicate and execute what we needed in the software."

That capacity to perform hasn't changed with Global Shop Solutions ERP software in over four decades of customer-dedicated research and development. From the start, their ERP software was designed with the customer in mind – to be a quick and easy-to-use shop floor tool to simplify manufacturing operations and improve efficiency. Once they implemented Global Shop Solutions ERP software, Pazmac started realizing these benefits immediately.

The return on investment for Pazmac, the first Canadian customer of Global Shop Solutions, has been nothing short of outstanding. [Scheduling](#), on-time delivery, [cost accounting](#) and cost reduction, [purchasing and inventory management](#) – the list of Global Shop Solutions production management success for Pazmac goes on and on.

Scheduling Know-How through ERP Software

"Scheduling was the main reason we chose Global Shop Solutions, and it's very important to our business now," observes Pacheco. "It's completely useful for us in telling us what's going to get done, what needs to be done, and what orders are coming in. Because of Global Shop Solutions, we're able to give honest answers to our customers about what we can get done for them and accurate dates when it's going to get delivered. This is opposed to a lot of shops where information is simply not there, and everything operates on a wing and prayer."

With Global Shop Solutions ERP software, Pazmac has a much greater sense of their shop capacity than ever before. This real-time intelligence has translated into greater profitability through the increase of both shop floor and front office efficiency.

“Global Shop Solutions has not only helped us in terms of on-time delivery, but it’s helped us in determining what our capacity truly is,” he says. “Before Global Shop Solutions, we had this sort of artificial ceiling when it came to what we could get out of our shop. Once we had Global Shop Solutions to refine our scheduling, those prior capacity figures were just blown out of the water. We quickly discovered we could, in fact, do one and a half times more than what we thought we could do.”

Taking advantage of Global Shop Solutions’ robust backwards scheduling tool and graphic hot/cold spot flow chart, Pazmac has immediate feedback regarding production capacity, through-put rate, and bottleneck identification.

What has this redefinition of capacity meant for Pazmac?

“We’ve doubled our revenue since we’ve gotten Global Shop Solutions, but have only added two office staff to the operation, and that’s the biggest statistic of all for us,” says Pacheco.

In the simplest of terms, if a manufacturer’s profitability is a function of capacity maximization through efficient production scheduling, then Pazmac has realized the sort of ROI they were originally looking for in an ERP system.

“Global Shop Solutions has helped Pazmac succeed through the last eight years mostly because they’ve been at the center of our growth as a company,” states Pacheco. “With Global Shop Solutions, we’re one and a half times the size we were before acquiring the software, with a profitability increase of about 75% in that time.”

Cost Accounting, Cost Reduction

Where even the smallest reduction in cost can mean significant gains in the bottom line, every aspect of the manufacturing operation is leaned. To this end, manual cost accounting at Pazmac was replaced by Global Shop Solutions ERP software’s **accounting tools**, and with great effect. What used to take several hours to do by hand, now takes only minutes to produce through the ERP software – again with spot-on accuracy.

“We’ve always taken a look at the profit of every single job before it headed out the door,” says Pacheco. “Using Global Shop Solutions has sped up our cost accounting/cost reduction process and reduced our direct labor costs for the tasks. If we were to still do costing the old way, it would force us to have more people in payroll and in accounting. Instead, though volume has gone up, we haven’t increased our labor costs for job costing since day one of getting Global Shop Solutions.”

It is a strength in the robust ERP system that it is able to simplify all aspects of a manufacturing operation, not just the shop floor. When the shop floor doesn’t have to also manage the front office, the shop floor can concentrate on job performance. For example, functions such as Auto Purchasing not only help keep a ceiling on administrative costs, but they also help manage other areas such as inventory and materials scheduling for just-in-time and on-time production.

Manufacturing Success

“Global Shop Solutions has also been vital to us in inventory management,” Pacheco emphasizes. “Our inventory accuracy is now around 90%. Before Global Shop Solutions it was more like 60%. In fact, because of our Global Shop Solutions system, we’re hoping to not have to do a physical inventory for the next two years, and just stay with cycle counting.”

This is typical of the nuanced cost reduction efforts resulting from Global Shop Solutions ERP software’s integration at Pazmac. All across the Pazmac operation, in their stylish and architecturally modern facility designed by renowned architect, Christopher Bozyk, savings through ERP efficiencies are realized as true ROI.



Employees at the Pazmac machine shop in Langley, BC.

From front office to shipping, Pazmac has kept their costs in check and minimized particularly direct labor needs, while adding significant capacity. However the greatest reward for Pazmac may be found in the relationship they have built with Global Shop Solutions over the years.



This 2006 Faro CS Platinum Portable Programmable CMM has a laser scanning cad to part comparison 8' arm with 7 axis.

“It’s a great relationship we have with Global Shop Solutions,” observes Pacheco. “It’s really pretty amazing. They’ve never let us down with any service issues, and their service is something that really stands out for us. The same is true in their R&D, and it’s for that reason we see Global Shop Solutions as a company we will be growing with for a long, long time. It’s obvious that they’re always thinking ahead to what their customer’s next need might be and they’re more responsive than any ERP software company I’ve ever come across, whether it’s custom for a specific customer, or it’s something they develop in R&D and hold onto until everyone in manufacturing starts looking for it.”

The success that Pazmac has experienced with Global Shop Solutions ERP software is an achievement both companies can take great pride in. It’s not often that one finds such closeness between a manufacturer and their software provider, especially between two companies so separated by geography and national boundaries. But then, when two companies like Pazmac and Global Shop Solutions see each other as family, it’s hardly surprising.

“Global Shop Solutions has done a lot for us and has been a great tool for us,” concludes Pacheco. “It’s grown as a company as we’ve grown, and they’ve kept that family feeling about what they do. For us, all of this is huge in terms of customer relations. And it always holds true at Global Shop Solutions, whether you’re talking to a salesperson, a service person, or the even the president of the company.”