

GLOBAL SHOP SOLUTIONS CASE STUDY

Precision Edge Surgical Products Company LLC

Located in Sault Sainte Marie, on the shores of Lake Superior in the scenic upper peninsula of Michigan, *Precision Edge Surgical Products Company LLC* is a world-renowned contract manufacturer of fine surgical components, cutting tools, and accessories for major medical device OEMs.



Precision Edge headquarters in Sault Sainte Marie, Michigan.



An artful display of Precision Edge's fine surgical instruments.

Founded in 1989, Precision Edge started out as a small bur manufacturing company operating out of slightly more than 1,000 sq. ft. Over the years, the firm added people and products as they began to make a name for themselves in the surgical instruments industry. Today, Precision Edge works out of a 37,000 sq. ft. facility and employs more than 180 skilled workers in the development and production of burs, blades, drills, rasps, tap reamers, and other surgical instruments and cutting accessories.

Precision Edge also offers machining processes, finishing, order processing, and prototyping services, and every product is custom made to the customer's exact specifications. With a commitment to quality, the company has been ISO registered since 2003.

When every job is a custom job, tracking data and managing the **production process** presents unique challenges. To manage those challenges, Precision Edge uses a precision instrument of a different kind – Global Shop Solutions ERP software.

Taking the Plunge

A Global Shop Solutions customer since 2006, Precision Edge created an implementation team to oversee the installation and ongoing operation of the software. Previously, the company had used a fairly primitive ERP system that often made extracting data more difficult than pulling teeth. With the team's experience working with other ERP systems, the upgrade to Global Shop Solutions was handled with ease.

To get the system up and running quickly, it was decided not to run a dual system approach, which involves simultaneously operating the old system and Global Shop Solutions ERP software until the data integrity within the new ERP software is well established. Instead, when the time came to go live, the team exported information from the old system and imported the information into Global Shop Solutions ERP software.

"With dual systems, you end up with half your data in one system, half in the other, and no way to reconcile the two," explains Kathryn Pepin, a member of the implementation team. "I prefer to jump right into the new system while building in some safety nets in case it doesn't work. The first couple of weeks we printed out a lot of audit trails, but it turned out we didn't need them."

"I also didn't feel the need for dual systems because Global Shop Solutions is so user-friendly," she adds. "You can easily track your data. The screens are intuitive. Movement throughout the system is logical. And if someone does something wrong, it's a simple process to go in and make corrections."

Closing the Books in 1.5 Days

From the [accounting perspective](#), Pepin first put her attention on ensuring the integrity of data on the accounting side. Within the first month, she began to see results. With Global Shop Solutions ERP software, Pepin can now complete the month-end closing of the books in only one and a half days. By comparison, it generally took 15 days at other companies she worked in.

"At 15 days out, you're halfway through the next month before closing the books," notes Pepin. "This puts you two weeks behind the curve when making any kind of financial decisions or business decisions based on those financials. With Global Shop Solutions, I can send a flash report to our corporate office by 3:00 pm the second day after month's end. Then I have 10 days to produce a much more elaborate report."

"I take pride in the fact that I don't have any adjusting entries between the day-and-a-half and 10-day reports," she says. "With Global Shop Solutions there doesn't need to be because we've already reconciled accounts receivable, accounts payable, inventory, sales, cost of goods sold, and returns - which is the majority of what hits my balance sheet."

On the shop floor, the main issue is lot control. Most of Precision Edge's customers hold FDA certifications, which means that the company must maintain perfect lot control for every product they make. Between ISO requirements and FDA regulations, Precision Edge has to be able to trace lot records from the moment a part or material arrives from the supplier until it gets shipped out the door.



Precision Edge's second production plant in Boyne, Michigan.

With Global Shop Solutions' lot-to-lot [inventory](#) features, this "cradle to grave" tracking is built right into the system. As soon as a material is received, it automatically gets assigned a lot number in Global Shop Solutions ERP software. This number permanently attaches to the part, making it easy to find and track through the entire production process.

Because Global Shop Solutions ERP software gives users the ability to set lot controls and specify company options, people know exactly what material is issued to a work order, when that work order closes, and which sales order it is associated with. And with [barcoding](#), [handheld scanners](#), and [wireless printing](#), this precise level of tracking can be accomplished in an amazingly short amount of time.

As with any manufacturer, scrap is also an issue. Precision Edge uses Global Shop Solutions' [quality control application](#) and the disposition of scrap feature on a daily basis. Using different scrap codes set up at Pepin's discretion, people can track quality issues, and then use the data to identify areas for improvement. As a result, Precision Edge's scrap percentages continue to decrease even while part usage and volume of work are increasing.

Easy to Customize

Flexibility and room to grow are two hallmarks of a great ERP system. Global Shop Solutions ERP software excels in these areas.

Precision Edge recently opened a second production plant and integrated it into Global Shop Solutions ERP software with barely a hiccup. Using location codes, Precision Edge staff can enter data by location and make seamless transfers. For example, they recently began consigning inventory to an overseas customer with absolutely no loss of data integrity.

"As a company, we're moving so fast that I don't have time to set up a second company to test the data," says Pepin. "With Global Shop Solutions I can add another company, a consignment, or any number of things, knowing I can trust the integrity of the data and keep going. Even if we did hit some bumps in the implementation of consignment or location, Global Shop Solutions makes it easy to find it, see it, fix it, and keep going."

Precision Edge has used the [Global Application Builder \(GAB\)](#) with great success. In addition to quoting new products every day, Precision Edge makes large numbers of continuous parts for their top customers. This involves spreadsheet quoting the entire product family - a long and laborious process. Fortunately, Global Shop Solutions recently introduced a new spreadsheet quoting feature. Using GAB to enhance the quoting feature to more closely align with Precision Edge's environment will significantly simplify the quoting process.

"That's another reason we chose Global Shop Solutions," Pepin says. "We looked at other ERP products and they basically said, 'This is our product and that's all it is.' With GAB, we can change or enhance screens and other features in Global Shop Solutions knowing that we're not creating any integrity issues with the core program.



Precision Edge is the foremost leader in orthopedic drill manufacturing.

"When I worked with other ERP programs, we had to spend months reviewing every fix or upgrade to see what effect it would have on our customized data," she says. "GAB lets you overlay changes on top of existing programming without impacting the core system. This gives me the freedom to get what I want out of the system while safely managing the upgrade."

Keeping Up with Rapid Growth

Since implementing Global Shop Solutions ERP software, Precision Edge has grown by leaps and bounds. From 120 employees in 2006, their workforce has increased to 192, with 15 working out of the newly opened second facility. Within three to five years, Precision Edge expects the new plant to expand to 175 employees as well.

According to Pepin, the ability to manage such growth at such a fast pace stems in large part from the visibility of data that Global Shop Solutions ERP software provides. In the old system, people had a hard time determining the status of individual jobs and overall workflow. With their ERP software, anyone can go into the system at any point in time and find out where a product is and what's happening to it. This enables them to identify any bottlenecks or problem areas and take corrective action while the job is still in progress.

The majority of Precision Edge employees find the system intuitive and easy to use.

"Global Shop Solutions is a very logical system," says Pepin. "It makes sense. I can go into a new module and quickly see what it's doing. I always tell our people there's nothing they can do that I can't see and fix, which makes them less fearful of using the software and trying out new approaches with it."

Perhaps more than anything, Pepin appreciates the fact that as Precision Edge continues to grow in size and complexity, Global Shop Solutions continues to keep up with ongoing updates and added features. Most of the updates are internally driven through Global Shop Solutions. But some come from customer requests or ideas generated by customers.

"The folks at Global Shop Solutions take the time to listen to us," says Pepin. "And if they think we have a good idea, they get on it right away. For example, the scrap screens that allow you to list more than one type of scrap on the [Shop Floor Data Collection screen](#) - we specifically requested that and Global Shop Solutions made it happen. Sometimes you have to wait until the next upgrade because it takes a while to make some of those changes. But if you ask for something and it's a good idea, you'll get it."

"As a company, we're constantly growing and evolving, but so is Global Shop Solutions," she concludes. "By the time we need something new, Global Shop Solutions is usually working on it. We plan on staying with them over the long haul because they keep meeting our needs."