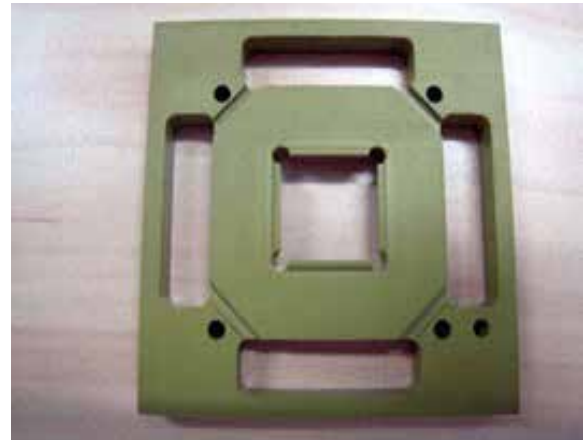# Setsu Precision Technology (M) Sdn Bhd

Founded in 1995, Setsu Precision Technology (M) Sdn Bhd is a leading precision engineering and machine shop in Malaysia, providing a full range of engineering services, including CAD/CAM, and surface cleaning and heat treatment processes. A recognized leader in Malaysia's precision machining industry, the company has received several local business awards, including an Export Excellence Award in 2009 and a Productivity Award in 2010 for Manufacturing Category 1. Setsu earned its ISO9001: 2008 certification from TUV in 2008.

Metal products manufactured by Setsu.

Setsu shares many of the same challenges encountered by U.S. manufacturers: the need for real-time information, accurate inventory tracking, and the ability to efficiently schedule workflow through the shop floor. And like many U.S. manufacturers, Setsu found its solution in Global Shop Solutions ERP software.

"Before Global Shop Solutions, we managed the business with an Excel spreadsheet and several different software programs," says company Owner Suresh Vaithilingam. "I knew that for Setsu to keep growing, we needed an integrated system that would bring everything together under one platform."

50% Reduction in Inventory

In less than six months since implementation, Global Shop Solutions ERP software produced dramatic results for Setsu, starting with big improvements in their ability to manage inventory.

First, Global Shop Solutions ERP software helped to reduce the number of parts in inventory by eliminating the need for multiple numbers for the same part. It also enabled Setsu to consolidate multiple small orders of raw materials into larger bulk orders to realize substantial cost savings. And the "frequent use" inventory feature led to further cost savings by identifying which frequently used parts Setsu should keep in stock.

"Thanks to Global Shop Solutions, we no longer waste time waiting for frequently used parts to come in because we now keep them in stock," says Vaithilingam. "Everything else we order just-in-time. Within four months, we reduced our raw materials inventory by 50 percent!"

"We also have fewer purchase orders to send and fewer invoices to pay, which means less paperwork, filing and other time-consuming tasks," he adds. "When you can reduce overhead while doing the same amount of business, those savings go straight to the bottom line."

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Speeding Up the Information Flow

In today's highly competitive manufacturing markets, the smooth flow of information can often make the difference between winning and losing jobs. Setsu uses Global Shop Solutions ERP software's versatile Document Control software to speed up both internal and external communications, including vendor quotes.

Previously, getting quotes from vendors involved a slow, manual process. Using Global Shop Solutions ERP software, Setsu workers now input a part number into the auto purchasing feature, select three vendors, and the system instantly emails it to all three. When the vendor quotes come back, they're automatically entered into the system. The buyer can instantly see all three quotes and make the best purchasing decision.

Document Control also allows production workers on the shop floor to electronically access the documents they need to complete a job.

"When a machinist receives a work order, he needs the setup instructions, drawings, tool list, CNC program, and anything else related to the job," says Vaithilingam. "It used to take a lot of time to manually track down those documents. Now they're instantly accessible through Document Control."

To manage their large library of internal documents, Setsu uses another feature called Document Catalog. Here, they store preventive maintenance manuals, customer and material requisitions, and important documentation – all of which are instantly available with just a few clicks of the mouse.

A polyurethane product manufactured by Setsu.

Simplifying the Business

According to Vaithilingam, Setsu has a long way to go to reap the full benefits of Global Shop Solutions ERP software. But he continues to be amazed at the noticeable improvements in all areas of the business.

Employees take far less time to get their work done. Productivity has improved. And with the Moveable Dispatch Chart, people no longer stand around wasting time because they don't know what to do next. Recently, Setsu planned to do a job in 28 days but finished it in 23 – a firm testament to Global Shop Solutions ERP software's ability to simplify production processes.

Setsu's raw materials storage area is cleaner and more organized, making it easier for people to find what they need. The Quality Control application enables workers to identify the causes of defects in real time and take appropriate action. The Customer Relationship Management (CRM) application speeds up customer response time. And thanks to the real-time barcoding feature, Setsu now packs and ships their finish goods much more efficiently. No longer does a part get shipped without an invoice or vice versa.

Perhaps most important for Setsu's continued growth is the ability to quote jobs more accurately.

"In the past, we did all job quoting manually," says Vaithilingam. "We usually won the business for less than 50 parts, but we never won the jobs for a thousand parts because our quotes were too high. With Global Shop Solutions, we're getting much better at assessing how much time it takes to produce a job, identifying all the costs, and quoting with greater accuracy. We're not totally there yet. But as we continue to improve our ability to quote, I'm confident we'll start winning much larger jobs."

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