

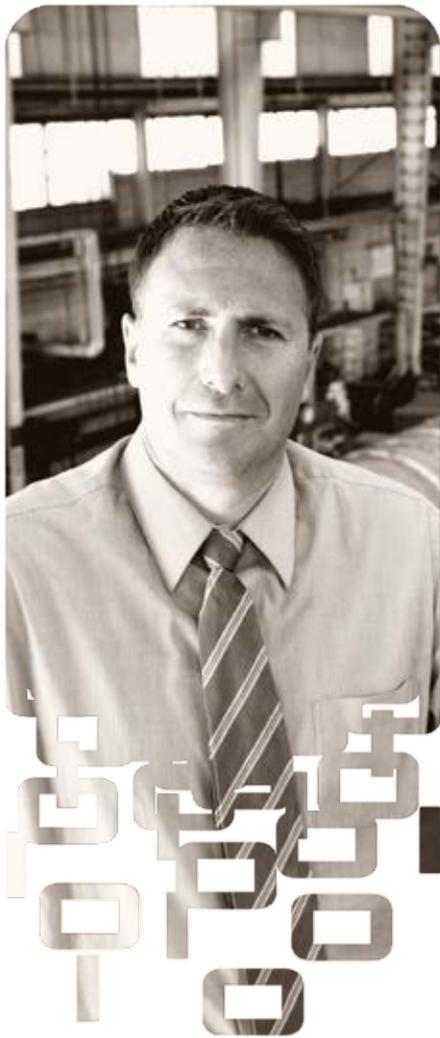
**EPICOR**

Business Inspired

An Epicor White Paper



**New Economy In,  
Old Strategies Out:  
A Fresh Look at MES**



## Introduction

With a turnaround in the global economy appearing imminent, concerns about where the next order may come from are giving way to solid growth opportunities. At the same time, many companies face a surge in competition on a global scale.

Perceptive companies that want to confront the situation head on realize that focusing solely on cost can be a zero-sum game that makes no sense. Instead, they typically focus on unprecedented quality and service levels, and greater flexibility to respond quickly and effectively to new product introductions (NPIs). It's a familiar, but perhaps underutilized, strategy to attract new, and retain existing, high-margin business. No surprise, then, that it's working.

Yet, the C-suite remains relatively unaware or skeptical of a powerful enabler that can help execute such corporate strategies - a shop floor manufacturing execution system (MES). Moreover, senior executives often resist MES simply because they don't clearly understand the business case, perceive a lack of affordability, or doubt the return on investment (ROI). In other words, sometimes execs don't realize they can drive business value out of MES. Other times, while they've received pressure from operations to bring in MES, they don't buy in or the story they're getting isn't complete.

The real story on MES couldn't be more different. While MES is often viewed as "just" a tool for helping the "shop people" go about their day-to-day tasks, the fact is that such a system also has more than ample potential to help transform the shop floor into a business center of excellence, and propel the company forward as it targets market leadership.

## More, better, faster!

Each and every facet of manufacturing operations represents an opportunity to make more, make it better, make it faster, and/or reduce scrap. MES can play a critical role in helping to realize such gains, which can in turn positively impact the cost of goods sold, revenue, and margins. These gains can lead to a competitive advantage, a bigger slice of the market share, and corporate growth.

MES enables, in a highly structured and coordinated manner, stakeholders to actively participate in the loss elimination process, from shop floor operators to top management. Operators can head off problems and see tangible results on the shop floor, with the help of MES, as they go about daily tasks. Operations management, senior executives and owners can pinpoint, evaluate and propagate best practices and drive and quantify gains to the bottom line, thereby capturing real value with their MES investment. In effect, MES can provide a path to elevate the status of manufacturing operations to a core component of corporate strategy.

## Whatever your focus, MES is here to help

Whether a company is seeking growth, better margins, or both, MES can help. Take, for example, statistical process control (SPC) and statistical quality control (SQC). These capabilities are a key component of the typical MES system and allow it to function as a visual tool to help maintenance managers and shop floor supervisors predict when, and what kinds of, proactive efforts will help keep things running, “today” and “right now.” It can offer a forward-looking, easy-to-understand statistical visualization for operations professionals to map out optimal maintenance and service schedules. It’s also a powerful tool for process engineers and corporate management to design and promulgate standard work processes and proven methods. Better preventive maintenance and just-in-time responsiveness can mean less downtime, less scrap, and more quality product. In other words – it can lead to better OEE (overall equipment effectiveness).

MES isn’t just about better OEE. If you’re interested in boosting customer service levels and better NPIs, your MES can play a key role to coordinate and optimize asset utilization, and even tackle on-the-fly rescheduling due to production blips or customer demands. The powerful scheduling tools found in leading MES systems can help your company ship on time with the correct quantity and quality. Complete and timely shipments allow you to meet contractual obligations, and that can translate to faster and more revenue, as well as a competitive advantage. Your company can earn a reputation for being ready and responsive to tough deadlines.

## More with less

MES can deliver consistent, accurate, and visible metrics. Operations management can use those metrics to identify underperforming and high-performance machines and then optimize asset utilization accordingly to eliminate bottlenecks. They can propagate best practices enterprise-wide from lessons learned.

Performance efficiencies gained with MES can open up the possibility of increasing output and profitability, all with existing production assets. Capital expenditures can be deferred or rerouted to attract even more business.

MES has many compelling attributes to help differentiate your company from the competition. It need not entail a massive capital investment to get your shop MES-enabled to make the most of its capabilities. From decision to implementation to value recognition is typically weeks, not months or years, and MES rarely requires expensive or time-consuming IT headaches. MES can offer a quick, hassle-free way to turn shop floor operations into a corporate center of excellence.



## About Epicor

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