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Why industry cannot afford to ignore BPM

BY PAUL BERGER*

BUSINESS Process Management (BPM) allows a business to grow even in tough times. However, most small manufacturers fail to understand that BPM, and initiating effective business processes, is extremely important and perhaps even critical for smaller manufacturers.

BPM solutions enable manufacturing companies to do 'more with less' through well-managed business processes. We see that many companies have adopted BPM solutions and have achieved great results. But we also find that typical users of BPM solutions tend to be medium to large sized businesses.

Too often the smaller manufacturer takes the view that, "It's too expensive and too complicated for my business". "Why do I want BPM? Accounting is all I need".

The main concern of any manufacturing business owner is the cost of the technology vs. the ROI of the technology.

Small manufacturers certainly worry about customers and cash flow more than they do IT system upgrades. Their view is that as long as the PCs are running okay and the accounting software keeps financial records, their business is on track.

However, as a business grows, issues start to appear: the more customers you have, the more administration work is created. So you need more staff to keep more records and ensure everything matches. As a result, operational costs go up much faster than profits. The owner then realises that the business is stuck with a situation - more customers, but less profit: The business has outgrown its processes and operating procedures.

Without integrated processes in the

business system, smaller manufacturers lose their competitiveness as well as the potential for growth and expansion. And as the popularity of BPM increases, so does the level of competitiveness from those manufacturers, large and small, that have adopted technology that can reduce the manufacturing process cycle.

The advantages of BPM for manufacturers are obvious - it maximises productivity and profitability with minimum resources by putting system processes in place and ensuring information flows within the business.

In contrast to the rich human resources and centralised information systems that most big manufacturers can draw upon, smaller operators have limited non-production staff resources and sometimes isolated data in different systems. These 'admin' people have to spend hours keying customer orders into one system and updating contact details in another. So quite often, owners find that employees 'waste' time on consolidating and correcting important information.

Having streamlined and automated processes, manufacturing businesses are able to free non-production employees from tedious admin tasks and make better use of their time and skills. It not only slashes the unnecessary time on admin work, but also helps elevate motivation and performance.

A centralised system reduces human error and keeps information up to date at all times. Everyone in the business can browse the job status at any time, be aware of next steps and know who is responsible for what. When a customer rings, anyone can pick up the call and provide accurate information.

Apart from improving customer satisfaction, BPM also provides manufacturing companies with great visibility into



BPM enables manufacturers to do 'more with less'.

business workflow - owners are able to get real-time information, monitor production and respond quickly to business opportunities. In fact, being flexible and adaptive is one of the advantages small manufacturers have to win business against larger competitors.

Despite the benefits of BPM, in reality, manufacturers rarely take into account business processes when using their business management software or assessing new software. Often it is assumed that process driven business software is simply not affordable for small manufacturing businesses.

It is true that the upfront cost and licensing of BPM solutions can be more expensive than standard accounting software. However, accounting software is unable to provide the level of transparency and process management

offered by a BPM solution. Manufacturers are advised to look at the long term ROI and the potential for business growth that BPM provides. A good BPM system can handle far more requests from customers, more efficiently and with less staff. It gives business owners peace of mind when opportunities arise and they are confident that they can grasp the opportunity and grow the business instead of worrying about having limited resources.

To take advantage of this new technology, manufacturers should find a solution that integrates the process with accounting and build the business on a single platform. It will provide them with a competitive edge in a tough economy. * Paul Berger is MD of Australian-owned business software company Happen Business www.happen.biz.

Industrial Ethernet switches

SIEMENS has expanded its range of Industrial Ethernet switches with the new Scalance XB-000 range for low-cost design of small line and star topologies and the new Scalance XF-200 range with flat design. The company has also extended its existing X-100 range by a compact switch for power supply over the Ethernet data line.

The switches of the Scalance XB-000 range are unmanaged Industrial Ethernet switches with IP20 protection, and are suitable for use in industrial environments which are not particularly harsh.

Due to the compact box design the low-cost switches can be fitted on a standard DIN rail in a control cabinet. The XB005, XB008, XB004-1 and XB004-1LD versions have up to eight electrical RJ45 ports or four RJ45 ports and a fiber-optic



The switches are unmanaged Industrial Ethernet switches with IP20 protection.

port. The Scalance XF204IRT is the first switch from the new Scalance XF-200 range. It saves space as a result of its flat design with the cable outlet sloping downward, whereas the plugs are connected from the front.

Siemens 137 222, www.siemens.com/scalance.

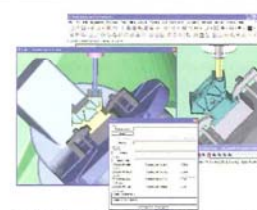
CAM interface

MISSLER Software and CGTech have announced the availability of a new interface between TopSolid'Cam and Vericut to improve machine simulation visualisation.

The interface allows Vericut to be opened directly from TopSolid'Cam, with all information relating to the part, the stock and the tools used are transferred directly from TopSolid'Cam, thereby eliminating the need to input a second time all of this information.

Dominique Laffret, VP of Strategic Relations for Missler Software said the new interface offers important time gains to customers offering a "competitive advantage for these companies".

"The development of a direct link towards Vericut is also an important step in the verification of the ISO code



The interface allows Vericut to be opened directly from TopSolid'Cam.

generated by TopSolid'Cam post-processors.

"The part and machine environment simulation already provided by TopSolid'Cam together with the advanced ISO simulation provided in Vericut will no doubt help reduce potential collisions," Laffret said.

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