

Business Essentials: Simplicity

Don't overcomplicate technology.

KISS your ERP!

by Fred Heintz

You've probably heard the acronym KISS (Keep It Simple, Silly), but that shouldn't have anything to do with your computer system, right? Don't we need our ERP system to do all the complicated work?

While a computer is a powerful tool, it can't do what a human can. It can only react based on what is programmed, and it is almost impossible to program every variable.

At Sixth Floor, we have two basic tenets we believe when it comes to computer systems:

- You shouldn't computerize something you can't do with a pencil and paper.
- If you don't need it, don't do it.

Let's take the second point first. While this seems obvious, it is done much more often than you would think. We have witnessed situations where a continuous flow process was broken down into many steps, each with its own reporting. This was done to get more "accurate" cost data. The problem was that no one on the shop floor was willing to record all those steps. More importantly, there was no real value in recording that data.

A computer can process huge amounts of data in seconds, but the data needs to mean something to the users. Another example we've encountered involves a company that built a large, customized program to do variance analysis. It would take a week or two to process and put the information into a presentation form, and even then, no one

cont. on page 3

The value of KISS — in all aspects of business

by Jill Kennedy

From cosmetics to holiday cooking to wedding planning, we're always advised to "keep it simple."

That lesson can also be of benefit in a business environment.

Advertising is a perfect example of how keeping it simple can be of value.

Most people know, without thinking about it, the names of companies whose slogans are simple but powerful.

"Just do it." "We try harder." "When it rains it pours." "Breakfast of Champions." "Have it your way."

I would imagine that each one of you knew the products that these slogans belong to. It's not only because of where they advertise or how often, but because the message is so simple that it's easy to remember.

There are many ways a company can benefit from taking the KISS approach.

When you are brainstorming a new product or change to a product, the tendency is to add more "bells and whistles," making the product more complex. Instead of asking, "What can we add?" ask, "How can we make our product easier to use?" This will benefit both the customer and the company. Customers do not want unnecessary complexity. They want products that are easy to use. The company will gain by using fewer parts, decreasing the production time and getting the product to market in a faster timeframe.

cont. on page 2



Value of KISS, cont. from page 1

Business leaders have the opportunity to create a simple, clear vision so the entire organization can understand that vision and work toward a common goal.

Something as simple as uncluttering your workspace can bring benefits. In an office environment, questions can be answered faster and decisions can be made in a more timely fashion if you don't have to search through piles of paperwork. Not only will this save you time, your environment will be more relaxed and you will have a greater sense of accomplishment.

In a production floor area, cleaning your workspace of unnecessary items will allow you to work more efficiently and potentially increase your productivity.

Review your company's incoming call voice mail. Is it overcomplicated? Press 1 for English, listen carefully as our menus have changed, if you know your party's extension you may dial it at any time, press 2 for Sales, press 3 for Marketing, Press 4 for Customer Service, press 5 for purchasing, and press 10 for the operator. Most customers find it much easier and more service-oriented when they can speak with a person who can then direct their call.

Keeping things simple is one of the keys to business. Simplicity is based on common sense, and it can help people to work smarter by doing less and accomplishing more. ■

The goal of Sixth Floor Consulting Group is to create best-in-class processes, allowing each of our clients to take their businesses to a higher level of quality, profitability, and Lean operation.

Contact us today to put us to work on your team.

Sixth Floor's Fred Heintz to teach *Intro to Enterprise Resources Planning Course*

On November 10, our own **Fred Heintz** will teach the course "Introduction to Enterprise Resources Planning (ERP)" at the Institute of Technology and Business Development Conference Center. The facility is located on the downtown New Britain campus of Central Connecticut State University.

This course offers a brief overview of what ERP is, how it is used, and what businesses can expect from an ERP system. It points out strengths and weaknesses of ERP as well as the common pitfalls many companies experience when implementing an ERP system.

ERP, like any computer program, is a tool. It is up to the company implementing the system to make the best use of its strengths, and not to rely on it to be a silver bullet. Heintz will cite real-life experience from his work implementing more than 20 ERP systems, from simple one plant manufacturing implementations to a global single-instance SAP ERP program.

This course is recommended for:

- Professionals employed by organizations or agencies considering an ERP implementation
- Project managers or current ERP users who want to understand ERP's critical success factors so they can review their own systems to maximize their effectiveness

For more information about this informative course, contact Sixth Floor Consulting group or visit the ITBD website at www.ccsu.edu/itbd.



"Think simple" as my old master used to say — meaning reduce the whole of its parts into the simplest terms, getting back to first principles.

Frank Lloyd Wright



KISS your ERP, cont. from page 1

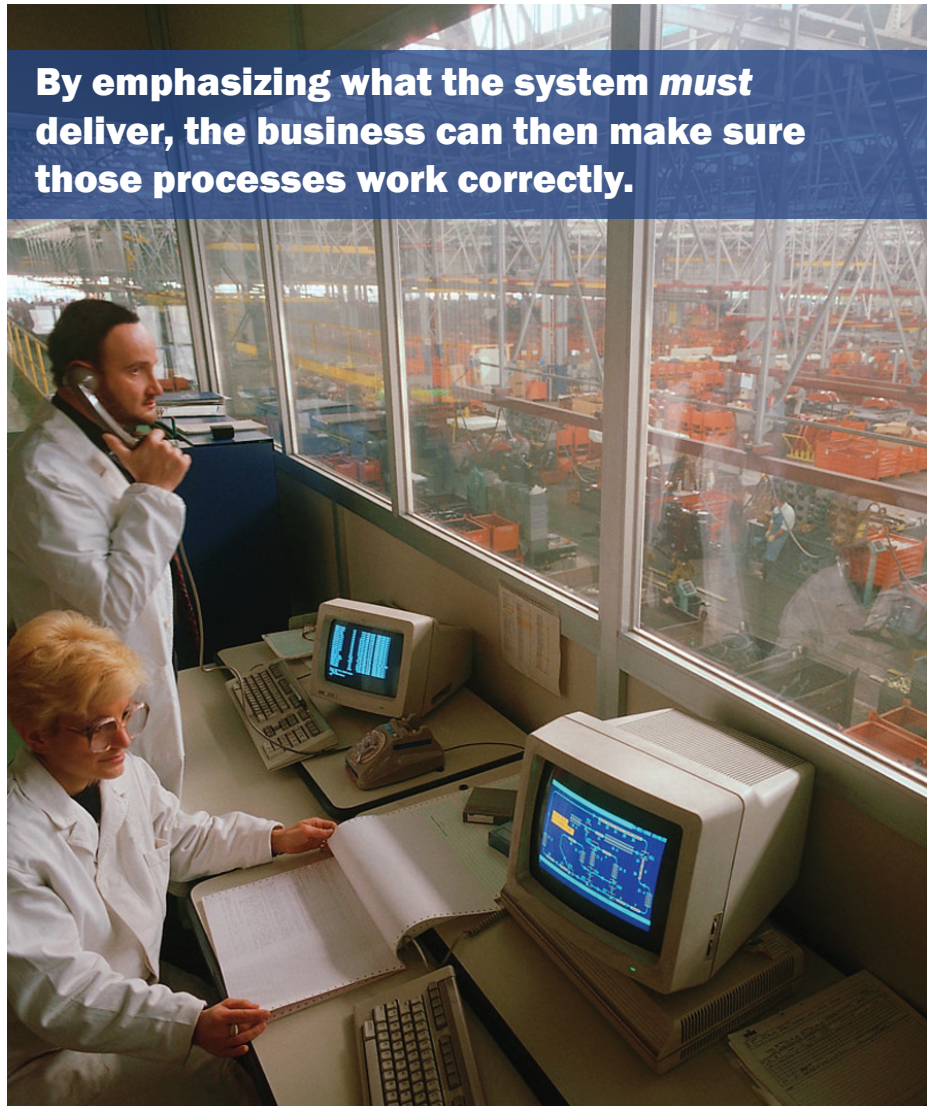
outside the preparing department had a clue about what all this data meant. The worst part is that all the data just pointed to whether the variance was due to an inaccurate forecast or an inaccurate standard cost. There was nothing actionable out of all that data — nothing that someone could use to improve the business.

Understanding what your computer is doing

What about our first tenet? Isn't it a computer's job to do things you can't do manually? The answer is, kind of. No one can do a complete MRP run using a pencil and paper; however, you should be able to do one product that way. Unless the user can understand how the system comes up with its suggestions, he or she won't be able to trust the system output. The computer can run through a complete MRP regeneration in the time it would take us to do one item. That is its strength, but the user needs to provide and understand the rules the program is using to create the output.

Sixth Floor Consulting Group is a big believer in Lean Manufacturing. This philosophy can be applied to manufacturing systems as well as manufacturing processes. When you think about it, an MRP/MPS/ERP system is just a manufacturing tool like a machine on the floor. The output is not a drilled or buffed part; rather, it is a plan to get the part to the customer when they requested it. Just as the first step in many lean implementations is to simplify a process down to only the value-added steps, the same process can be applied to a manufacturing system. Ask the question, "What does the system need to do to help the company satisfy the customer?" We've seen too many ERP systems sold on functionality that looked pretty, but in the end these systems were never used (and rightly so).

Obviously, if your company's manu-



By emphasizing what the system *must* deliver, the business can then make sure those processes work correctly.

facturing process is complex (double-digit BOM levels, Military Documentation, extremely tight tolerances, etc.), the system setup needs to be more complex; however, there is still the opportunity to streamline the complete system. Just as children learn to crawl before they can walk or run, you should first look at the very basic needs the system must deliver. Does it need to plan every minute of time on the shop floor? Probably not. Must it invoice the customer and track payments? Definitely! By emphasizing what the system *must* deliver, the business can then make sure those processes work correctly.

When starting to implement a new system, it is best to start with the simplest functions possible and then

include additional functions as users become more familiar with the system. This emphasizes the need for thorough documentation, not just from the software vendor but also internally for all configuration settings. This approach needs a superuser who knows the system's potential. If the business develops the need for additional functionality, that person will know if and how the system can meet that need.

So KISS your ERP system, and come out with a better solution for your business. By concentrating on what the system needs to provide to improve the business, and eliminating as much complexity as possible, your ERP system can add more value in the workplace. ■



Upcoming Conferences & Events

Date	Event	Location
October 15 - 16	<u>The Fourth Annual Northeast Shingo Prize Conference</u>	Boston, Mass.
October 20 - 24	<u>2008 AME Conference</u>	Toronto, Canada
October 27 - 29	<u>SME Lean to Green Manufacturing</u>	Portland, Oregon
November 10	<u>Introduction to Enterprise Resources Planning</u> <i>(with Sixth Floor's Fred Heintz)</i>	CCSU ITBD Conference Center, New Britain, Conn.
December 8 - 11	<u>20th Annual National Forum on Quality Improvement in Healthcare</u>	Nashville, Tennessee

Sixth Floor Consulting Group, Inc.

41 Arnoldale Road

West Hartford, CT 06119

(860) 233-7411

www.sixthfloorconsulting.com