THE ROI OF SHOP FLOOR EXECUTION

An In-Depth Look at How SFE Delivers an Exceptional Return on Investment



This eBook is presented by TIP Technologies.

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ABOUT TIP TECHNOLOGIES

Companies choose to work with TIP Technologies to enhance their reputation and gain respect for working with the unparalleled leader in Quality. For over 25 years, TIP Technologies has been helping companies define the difference between surviving and thriving. The TIP Technologies team takes a personal approach towards helping its customers achieve their most important business goals to ensure delivery of a quality product that meets stringent standards. TIPQATM Shop Floor Execution solutions and TIPQATM Quality Management solutions are optimized for companies in the Aerospace & Defense Industry and the Medical Device Manufacturing Industry, as well as other complex manufacturing environments.

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[INTRODUCTION]

This eBook is a resource for industry leaders weighing their investment in a Shop Floor Execution (SFE) solution as a potential tool to streamline manufacturing operations. It will present possible scenarios for improvement on the shop floor, demonstrate results that other companies have seen from implementing a best-in-breed SFE solution, and will help you build a compelling case for a Shop Floor Execution solution by demonstrating ways to assess its value and ensure that your investment delivers tangible results to your organization in a timely manner.

THE POTENTIAL OF A SHOP FLOOR EXECUTION SOLUTION ...



Implementing an SFE solution is a proven way of increasing manufacturing productivity. Processes are defined, improved upon, and automated in order to streamline operations. Having a software solution that provides the ability to identify and track issues on the shop floor is a significant competitive advantage that can greatly increase a company's profitability and can deliver a significant return on investment year after year.

THE COMPANY-WIDE IMPACT OF AN SFE SOLUTION ...

CROSS FUNCTIONAL BENEFITS FOR:

CORPORATE EXECUTIVES

- Better Decision Making
- Higher Profit Margins
- Increased Competiveness

MANUFACTURING LEADERS

- Paperless Shop Floor
- Increased Productivity
- Reduced Data Entry

QUALITY MANAGERS & DIRECTORS

- Documentation of Product Quality
- Reduction in Nonconformances and Corrective Actions
- Improved Quality Product Delivery

In short, a Shop Floor Execution solution can help improve efficiency, effectiveness and quality throughout the organization.



Companies that choose to implement a best-in-breed Shop Floor Execution solution experience exceptional results. The following are examples of improvements realized by industry leaders that have adopted TIP QA^{TM} Shop Floor Execution as an essential part of their overall plan to deliver quality products.



"TIPQA[™] Shop Floor Execution eliminated 85% of the paper in our production traveler for one production assembly (30 sheets out of 35), as well as 91% (413 of 449) of our written data entry points for a single complex assembly."

Director of Quality
Defense Manufacturer

"TIPQA[™] Shop Floor Execution solution not only enhances productivity, it integrates shop floor data with quality data for a comprehensive and efficient approach to providing "a single view of the truth" concerning quality throughout the organization."

— Director of Operations Complex Manufacturer

STARTING POINT FOR ROL . . .

Every project needs to demonstrate value to the business. There is no standard formula that will "auto-calculate" your ROI. Final Results come down to a reasonable guess based on a mix of facts and estimates.

HOW ARE YOU DOING THINGS TODAY?

- Start your calculation by evaluating your current shop floor; use this as your baseline for your calculation.
- Identify activities that take time, resources, and money. For each issue you identify, calculate or estimate a cost (estimates are OK they just need to be credible).

ASSESS YOUR CURRENT PROCESSES

Consider the following scenarios –

There are employees involved in the preparation, distribution and collection of work instructions, work orders, travelers, and quality data forms. Focus on the man hours and the value added activities your employee(s) could be delivering to the organization if manual processes were reduced. By how much could you increase productivity?

The shop floor is a place of constant change. If you could better manage the documents related to Engineering Change Orders (ECOs) such as drawings, work instructions, and images, and were able to avoid costly errors, what percentage of scrap and rework would be eliminated?

All of the costs associated with these activities increase in direct proportion to increased production. If your business is growing, what is the cost savings of not having to hire new employees to manage your growing business?

POTENTIAL AREAS FOR SAVINGS ON THE SHOP FLOOR ...

- Actual Paper and Forms Cost and Storage
- Cost to Re-Enter Data
- Cost of a Manufacturing Error
- Cost Avoidance
- Cost of Each Nonconformance Created
- Cost of Each Corrective Action Created
- Ability to Reduce Scrap Cost
- Ability to Reduce Rework Cost
- Not Having to Hire New Employees During Times of Growth



[IDENTIFY OBJECTIVES]

It is important to identify objectives specific to your business. What are you hoping to accomplish? Set firm objectives for a better outcome. Measurable goals will help justify your Return on Investment (ROI).

[SET BENCHMARKS]

Some ideas for benchmarking an SFE solution:

Achieve a Paperless Shop Floor

Track the number of manual processes eliminated. Measure your productivity gains.

Reduce the Cost of Labor

Track the dollars saved in hours worked. Measure improvements in profit margin.

Lessen Your Nonconformances & Corrective Actions Track your reduction in NCs and CAs. Measure your delivery of higher quality products.

SELECT AN SFE SOLUTION TO FIT YOUR NEEDS

Are you looking to integrate your ERP system with a Shop Floor Execution solution? Do you need to sync quality data with SFE data? Is there a need to be more agile on the shop floor? Do your research and determine what software will meet the objectives of your company and will provide a long term solution for your organization.

ENSURE LONGTIME VIABILITY OF THE SOLUTION

It is important to build a good working relationship with your Shop Floor Execution software provider. Consider choosing a vendor that is skilled at helping customers understand and improve their manufacturing processes, while working toward their overall business objectives. Investing in a solution that will allow you to quickly adapt to changing markets and industry standards is essential. Critical to your software selection is the team with which you choose to partner. A company that has extensive experience serving customers is the best choice to assist you with your future initiatives, and will provide the reassurance needed that the product will continue to grow with your business.

SUMMARY

Creating an ROI is a process of identifying issues on the shop floor, calculating the cost of the issue, and assigning a savings to the solution. Final results come down to a reasonable guess based on a mix of fact and estimates.

- Assess Your Current Processes & Potential Savings
- Identify Objectives
- Set Benchmarks
- Select an SFE Solution to Fit Your Needs
- Ensure Long Term Viability of the Solution

TIP QA^{TM} Shop Floor Execution (SFE) is a solution that can add revenue and provide measurable business improvements, while providing a solid return on investment in less than one year. Quality and manufacturing departments have different goals, yet they must align to deliver a product that exceeds the needs of the market. TIP QA^{TM} allows for the sharing of data across the enterprise to create a single view that empowers users to maximize productivity and make better business decisions. TIP QA^{TM} can provide a low-cost, low-risk solution to eliminate the problems associated with paper on your shop floor. The end result is better visibility and control of your production environment which will save you time and money.

GET STARTED

If your goal is to streamline operations and bring efficiency to the shop floor, why not check out TIP Technologies and get started today?

Call us at (262) 544-1211 for a personal consultation about your company's Shop Floor Execution needs.

Like what you have read? Schedule a **DEMO** of the TIPQA[™] Shop Floor Execution System.

Visit www.tiptech.com for more information.

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