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Enterprise Software for Metalcasters

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Reasons to Use An Alternate Routing

Encore article by Frank Roorda
B&L Business Consultant

The purpose of the labor routing is twofold. First, the labor routing is used to describe the steps necessary to make a casting, and secondly, the labor routing forms the basis for costing.

Whether you are using Odyssey or BLIS-400 for your ERP needs, both systems allow you to have multiple routings. There are many reasons for this. To explore why we might create additional routings, let's begin by discussing the life cycle of a product. Most products begin in the quotation process. When the quote is developed, a labor routing is assigned to it. The labor routing forms the basis for the costs that make up the labor and overhead. If the quote is accepted by the customer, then it can be converted into a product using the Quote To Product Conversion program. The labor routing is converted from the quote to the product at the same time.

After a product has been in production for a while, certain differences can appear. For example, the performance rate might be slower, scrap might be higher, operations that were designed to be performed in-house are contracted out, etc. In other words, the real routing no longer matches the quote. Does this sound familiar? Generally, for those clients utilizing the standard cost system, once a standard routing is established, that routing is frozen. The rates and routing steps are generally not changed in a standard routing until the beginning of a new year, or whenever it is that the accounting department is prepared to revalue the casting(s) that have changed.

If you can't change the steps in the standard routing, how are you supposed to create shop orders that accurately reflect how a job is to be run? This is where the alternate routing concept comes to the rescue. You might need more than one routing to properly account for cost and a different routing to account for the current engineering process. By doing this, you can always maintain a routing that represents the way a given product is costed. This is called a Standard Routing. The other routings would reflect the way the job is to be scheduled.

Routing Code	Description	Revised	Revision	Priority
...
...
...

Figure A - BLIS-400 Routing List

Routing Code	Description	Revised	Revision	Priority	...
...
...
...

Figure B - Odyssey Routing List

Routings can also be defined to account for some rework process. It is not uncommon for a client to have a predefined series of steps that might occur when they perform rework. For example, if cracks are found in an x-ray, there could be an extensive series of steps that a casting goes through to weld the casting. This is generally called a "Rework Loop." The Rework Loop can be documented in complete detail using a rework routing. The rework steps would be assigned routing sequence numbers that are higher than the highest routing sequence number found in the standard routing. Why is that? We do this because the routing sequence steps defined for a rework are generally considered to be non-standard steps. In other words, the steps are not part of the standard cost of a product. I am told that QS auditors love it when clients set up their rework processes in the system since it creates traceability of the process. Best of all, those steps are part of the system and not buried in some spreadsheet or Word document outside of the system.

Another reason to define a separate routing for scheduling versus costing is security. For some reason, accountants running a standard cost system do not like it when engineers are allowed access to the routing that controls the cost. I am told that engineers don't always like accountants, so it seems like a fair trade off. Either

Reasons to Use An Alternate Routing, continued from page 1

BLIS-400 or Odyssey will finally help bring peace to the office by allowing these routings to be separately securable. The standard routings can be secured so that only the accounting department can get into them to make changes. The engineers can look at the standards all day long, but they can't touch them.

A final reason you might want to utilize the alternate routing capability within BLIS or Odyssey deals with tooling. Tool configurations can be defined in either system such that they will actually call out for a specific routing code. For example, when a product is run as part of a family tool instead of a single part, perhaps the process changes such that it necessitates running the product with a different process.

In the example shown, when this tool configuration is selected for use in scheduling, the system will automatically choose the correct labor routing. This means that all of the routings steps, process comments, etc. are automatically brought into the shop order without having to do anything else. This is an important feature, and again one that the QS auditor should like since nobody really needs to remember which process to use; it all happens automatically when the correct tool configuration is chosen.

I hope you can find a good use for these important features within your BLIS-400 or Odyssey implementation. As always, if you need help implementing any of the concepts discussed within this article, contact your B&L project consultant for advice. ■

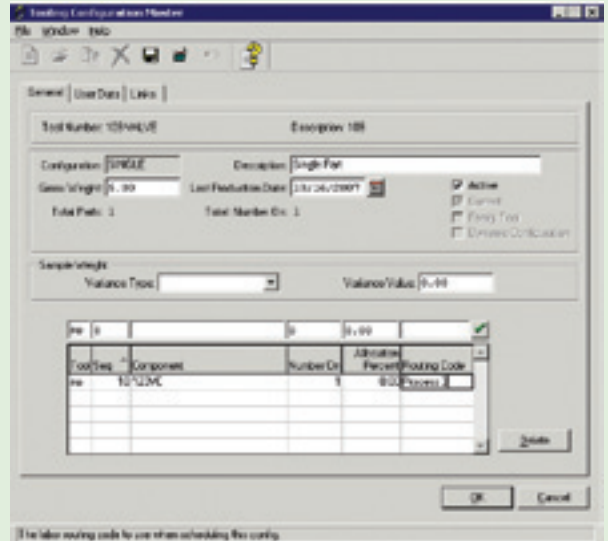


Figure C
Odyssey Tool Configuration tied to a specific labor routing

EBWA

By Ron Thomas
Vice President - Administration

A few of us are familiar with MBWA, Management By Walking Around; a management style of gathering information by listening, observing, and coaching employees in decision-making responsibilities. I have been enamored with developing EBWA, Economics By Walking Around; what trends do we see in our nation's economy just by walking, or driving, around and observing what is going on with our economy.

This idea came to me while walking through a Nordstrom's in Seattle a year ago, and it resurfaced while I was walking through the Nordstrom's in Chicago recently while spending an afternoon downtown before a flight out of town. I made note of several things, e.g., the 120 yard long food court (yes, I walked it off)



that was full during lunch, but I'll key on only a couple here.

The first was a \$175 yellow paisley tie designed by Ermenegildo Zegna. I had to write that name down as I surely couldn't remember such a name once I left the building. I have suits that didn't cost \$175, and I must note that this tie looks just like the ones I had in the '80s, so there is such a thing as fashion recycling. The funny part was finding a very similar tie in the Nordstrom's Rack store, their discount outlet, for \$35, or 80% off. I didn't buy it since I still have that '80s one.

The second notable point was the main floor of this Nordstrom's. The number of people and the buzz and commotion around the makeup counters and the accessories area and the shoe department would make anyone question The Great Recession and 9% unemployment. The shoe department was so large I was about to casually step off

the size of it. However, a more dominant theme appeared - women's boots; the tall ones that come up to below the knee.

From my experience with manufacturing firms working with physical inventories, nothing prestigious mind you, I walked the length of the shoe department and as inconspicuous as possible counted the number of women's boots available. I got up to 200 and decided to quit. Why 200+?

I have to say, that's what the customer wants. Choice. Even in metalcasting we have to offer our customers a choice. But if you don't price your product right, you'll have to sell it at 80% off, like that yellow paisley tie. ■

CUSTOMER CERTIFICATIONS

Jencast, Coffeyville, OK ISO
9001:2008 and ISO/TS 29001



Dear Brenda



Brenda Povlock
Vice President - Client Services

BLIS-400

Dear Brenda,

Most of our orders have multiple releases, but most of the time we don't ship the total quantity for each release. We usually make multiple shipments against each release. I need an easy way to tell what quantity we shipped against the release each time we shipped; that way when the customer calls in to inquire, I can tell them in more detail exactly what shipments went out and on what date.

Extra Needy

Dear Needy,

There is something new in BLIS 7.1 that you might not have noticed yet. On the Customer Order Item screen there is a new button or plus code above the releases called Release History. Highlight the release you need the information on and click the button or type in 10 for the plus code. There are a couple things to keep in mind. The file that holds this new data is populated at invoice update time; this is because you have the ability to change the quantity shipped once a packing slip has been transferred to invoicing. Also, you must be shipping by release, and only shipments made after BLIS 7.1 has been installed will be in the file. Hopefully this will fulfill your "extra" needs! ■

Release#	Packing Slip#	Ship Date	Quantity Shipped
51010	4855	10/20/10	100
51011	4897	11/05/10	300
51013	4858	11/11/10	100

Odyssey

Dear Brenda,

Most of our products go outside for additional work after all of our internal processing is complete. We consider that inventory as finished goods, but in your system when we ship to an outside supplier it has to be marked as WIP inventory. We have some work around now that we go through to move inventory from FG to WIP just so I can ship it out, and then we do some additional steps to move it back to FG once we receive it back. Is there a better or easier way to handle this?

WIP'ed

Dear WIP'ed

Don't feel WIP'ed, there is a solution to your problem in Odyssey version 4.3. There is a new system configuration option under inventory that allows you to affect finished goods inventory when shipping to outside suppliers and when receiving outside inventory back in. You won't have to move them back and forth between FG and WIP any longer. Keep in mind though that all of your outside inventory will be costed as finished goods.. ■



R&D DEVELOPMENTS

Doug Hinman, Vice President - Research & Development

There's a lot happening with Odyssey right now. The new Supplier Portal is in beta testing, several clients are upgrading to release 4.3, and some tremendous 4.4 enhancements are being pre-released.

I'm sure you're aware of the new Supplier Portal which we announced at Spectrum '10 in Louisville. It features new technology to facilitate a rich user interface that is completely web browser based. Not only is the underlying technology new, but so is the look and feel. We strove for an appealing and easy to use interface. Interestingly, when we previewed the Portal to our beta sites they didn't mention the user interface. We had to ask them what they thought of it. They simply said it looked good. They were just more interested in the business objectives of the portal, which is the case with almost all clients. Even though we didn't get raving compliments on the interface, I guess we hit our mark by not hearing any negative comments. Interface design just happens to be an important area we need to continue to concentrate on and not expect accolades.

There are a couple enhancements for release 4.4 that we are making available to anyone on 4.3. This is done by including them within fix levels. It's not something we do often because it's extra work and can be disruptive to users.

We've heard clients many times over the years say something like "we pour gray on Monday, Wednesday, and Friday and ductile on Tuesday and Thursday." So, we added the ability to schedule by base metal. You can now specify separate capacity for each metal type, either per shift or day of week. This is a major improvement that will benefit many of our metal casting clients. It solves the old gray versus ductile challenge, and others. I can't go into any details, but we're also working on a new way to view your schedule, so look for upcoming announcements.

We have had several steel foundries tell us recently that they need improved serial number tracking, so we're pre-releasing several enhancements in that area. This includes the ability to pre-assign serial numbers to shop orders. These pre-assigned numbers can be automatically generated via a new System Formula. The Shop Floor Manager will now show which serial numbers are available for the next operation. In addition, you'll be able to activate a validation for production reporting that ensures a serial number has gone through all prior steps before reporting time against it. ■

**Congratulations
to the
following
B&L
customer!**

Big congratulations go to **Grede!** Not only did they recently celebrate their 90th anniversary, but they have also been named a "Diamond" Supplier for Excellence in Quality, Delivery and Cost in 2009 by Navistar Inc., and their Bessemer facility has been awarded bronze certification from Caterpillar Inc. as part of its Supplier Quality Excellence Program!

FREE WEBINARS ON ODYSSEY SOFTWARE

Starting in 2011, we will launch our newest webinar series featuring both product related topics as well as technology related topics. To sign up for these webinars, go to www.blinfo.com and click on events.

Schedule by Metal Type (January 2011)

Cloud Computing (February 2011)

Modern Supplier Management Using the Supplier Portal (March 2011)

Odyssey Shop Floor Manager (April 2011)

TRAINING - There are recorded training videos available on-line at no charge to customers.

For access to these videos you will need to sign up for the B&L Community.

Contact support@blinfo.com for assistance. For any other training needs, contact Brenda Povlock at ext. 321.



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