

Getting Spreadsheets to Work Better for Your Business

Frances Ryglewicz
Director Product Management and Sales
Horizons International, Inc.



Horizons International
Manufacturing Software for Microsoft® Dynamics GP™

Start Small.
Go Big.



Snokist implemented HMS a few years ago and it is wonderful to have a product that is fully integrated with our financials and allows us to build our finished goods inventory at costs and posts the costs when sales documents are created. Before this module, we were maintaining our data in spreadsheets. It is great to have a product that just works!!"

Belinda Cole, Director of Accounting & Information Services, Snokist Growers

Spreadsheets, the most common business tool in use.

If you were asked "What is the most common and relied upon tool for information and data management in manufacturing organizations, regardless of size or industry?" and you answered "spreadsheets" you would be correct.

In manufacturing organizations, regardless of items produced or size, we find spreadsheets everywhere. They contain and manage recipes or bills of materials; sometimes they track the production log or the master batch records. Users have created models for product costing and used spreadsheets to track training records for staff and in accounting departments around the world they are the number one tool for financial management and analysis.

The wealth of critical business information that a company's spreadsheets contain, dispersed across multiple access points and edited by countless users is significant. It is truly no wonder that for solving many business problems, whether long or short term, the spreadsheet is the immediate tool of choice.

How manufacturers fell in love with spreadsheets.

Not too long ago materials departments were all run on inventory cards, which were simply the paper version of a spreadsheet. Every time production wanted to consume materials they would record the amount on the card. Then they would go through the process of subtracting that amount from the last time the quantity was totaled. There would be a check against the safety stock value and finally a decision was made about sending the card to the purchasing department if it was believed that more material was needed.

Today, an electronic spreadsheet can certainly perform most of that work for us. It can handle the calculations and set up formulas so that information like safety stock level is continuously updated as the rate of consumption changes. We can create conditions that will alert the user to action as they work with the spreadsheet. There are copy and paste tools so that every item from a bill of material or recipe does not have to be updated manually.

Meanwhile, the purchasing department also manages their own spreadsheet with item data, prices and delivery dates so they can identify and email a response on the status of on order materials. Even with these electronic inventory cards we will still find that material will have to be rushed from the vendor, that there will be expedited shipping charges and that the controller will need to be notified to approve the freight costs. If the controller wants some idea of cash commitments before approving the freight charges, they will combine a current copy of the purchasing spreadsheet, match that to the sales spreadsheet and production's 'best guess for shipments' spreadsheet and wow, after all that copy and paste there will be good data that is three days old!

The spreading grip of spreadsheets.

In this improved, but not fully integrated environment, most departments are run with multiple spreadsheets. It is remarkable to see how the human desire to do a great job encourages individual employees to design and manage spreadsheets. What is even more remarkable is to see how these employees can then encourage everyone else to create spreadsheets that help support the central spreadsheet and before too long the end to end business operations are run by spreadsheets!

The single owner nature of a spreadsheet creates terrific job security. Statements like "I can do it faster on my spreadsheet than if I had to key it into a system" begin to drive our decisions about what robust business processes should look like. Such beliefs are highly valid for the individual user, but they ignore the value of shared

information and they fail to recognize the cost to a business of everyone keying data into their own spreadsheet.

Using our spreadsheets and email, we have eliminated much of the manual calculations and documentation, but are there still gaps we should minimize?

Enhancing the success and value of your spreadsheets – closing the gap with integration.



What if your spreadsheet of on hand inventory was immediately updated by any materials used, as they are consumed in production? What if you could continuously update your cash requirements from purchasing information as it was entered, and see the cash demand offset by the terms in a familiar spreadsheet format? What if you could eliminate half the spreadsheets that you use because you no longer need them to control data accuracy? What if every time you looked at spreadsheet data it was real time and you knew that everyone in the organization was working with exactly the same data?

“I have gone from the dark ages, I can complete three times the amount of work in an eight hour time frame. I was using calculators, paperwork and excel but now in a matter of seconds I can get my data”

Jennifer Smith, Customer Service Manager, Plus Orthopedics.

If the vision that this creates seems like a fantasy, then perhaps it is time to look at the shifts in technology, cost, useability and product offerings that have occurred over the last few years in business software. Not everyone seems to be aware that two of the most significant beneficiaries of changes in these areas are spreadsheets and mid-size businesses.

Today, integrated business solutions tie together the business actions around a manufacturer’s inventory items to the financial impact of those transactions. Immediate changes in the value of inventory when production activities take place, raw goods are received or finished product shipped, provides perpetual inventory and financial accuracy concurrently. But benefits do not end there, the ability to identify what products lead sales and

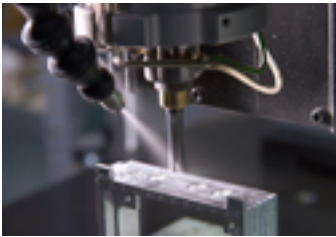
therefore support inventory investment, or to identify in real time variances and margins related to productivity and yields, can greatly help a manufacturer reduce costs and improve profitability. Awareness of committed inventory and pending expiration dates can provide many opportunities to optimize production actions for better materials utilization. Integrated software products provide the platforms for barcode scanning, reducing manual transactions and removing overhead from serial and lot tracing.

The right integration, keeping it familiar, specific and cost effective.

Today there are a range of affordable, integrated solutions that enhance the power of your spreadsheets, not eliminate them. These products are specifically targeted to mid-sized businesses and the skill sets and knowledge of their staff. This new breed of fully integrated business systems have direct, easy to execute tools for creating, editing and updating the spreadsheet data that is so critical to your business methods. In many cases, the user interface itself can resemble spreadsheet layouts, easing data entry, management and analysis.

By providing user interfaces that are designed around tools with which your staff is already familiar it is possible to improve the productivity of staff, reduce the cost of generating real time data and make it possible for all organizations, regardless of size, to achieve significant returns on their software investment.

Microsoft is a leading contributor to the development and, consequently, availability of these familiar tools. The very significant investment that they have made in creating a common user experience across their Microsoft Dynamics® brand and the more widely recognized Outlook and Office products has propelled significant value and cost reduction in the purchase and implementation of integrated solutions for mid-sized manufacturers.



"Horizons has been a very cost-effective manufacturing software for us.

*Joey Vacarro
Operations Manager
Trueline Valves*

In turn, software developers with products that integrate into Dynamics® and who focus on the specific manufacturing functionality needs of vertical manufacturing niches such as food processing, supplements, meat processing and packaging, baked goods ,ethnic foods or any one of a range of specialties, have been able to reduce the price of their offerings. The unified user interfaces of these combined Microsoft products allows developers to invest solely in functionality required by specialty manufacturers, driving higher volumes of user acquisition which in turn translates to offering niche products at truly affordable user prices.

This leveling of the cost field has put integrated industry specific systems well within the reach of mid-sized manufacturers. Now these businesses can take advantage of affordable integration between their business functions to reduce operating costs, speed access to important data and eliminate redundant duplicate processes so resources can be applied to other value add activities. Most importantly, the use of these integrated systems as platforms that enhance spreadsheets truly allows manufacturers to improve the quality and timeliness of their spreadsheet data, while concurrently reducing the costs of maintaining such systems by eliminating duplicate activities, decision delays and security costs.

Greater affordability across common tasks – time to evaluate options.

Most manufacturing organizations, regardless of size, have the same business process and information needs. They all take purchased materials and transform them through a variety of actions into final products that are sold to generate revenue. The methods of manufacturing may vary by industry and size of organization, but the functional needs and roles remain very consistent. Mid-size and small manufacturers need to keep track of inventory, they need lot control that is efficient and accurate, and they can benefit from production and material planning tools just like large manufacturers. However, for the groups of

companies in the mid-size manufacturing space, it has typically been cost prohibitive to engage in purchasing and implementing integrated business systems. Because of the added advantage of operating with tools already familiar to their staff, now may be an appropriate time for these companies to reevaluate their options.

Where can I go for more information to help me make better business decisions?

At Horizons International, Inc., we have dedicated the last 18 years to providing integrated, cost effective and reliable software solutions to the mid-size process manufacturer. Our partnership with Microsoft Dynamics® GP ensures the delivery of business functionality that advances the usefulness of your spreadsheets without burying your business in the overhead of data transfer, duplicate entry, security concerns and delayed reporting. Our materials planning and quality management modules will help you gain real time visibility of your manufacturing operations so you can reduce the cost of running your overhead departments, freeing cash and resources for investment in areas of greater return.

If you would like to learn more about how integrated solutions can help you get more from your spreadsheets, or what it takes to get started selecting the right software functionality for your business, visit us at www.hzs.com and let us know the best time and method to contact you.