



The Basic Work Order—COMIN Variables and Consumables

by Rob Gentry

This is the next article in our continuing series focusing on Work Order Basics. We will be addressing some of the COMIN Variable settings affecting Work Orders and the use of consumable parts. Again, you can reference this information in the Planning and Shop Floor sections of Volume I in the HP and DEC versions of the user manuals.

The first COMIN Variables affecting Work Orders are CV#88 and CV#23. CV#88 controls whether or not the Bill of Material is copied to the Allocation Shortage File (WOSHT) when a Firm Planned Order (FPO) is added to the system. CV#23 allows the Routing to be copied to the Tracking Detail File (TRFIL) when CV#88 is set to 1 and an FPO is added. Otherwise, the TRFIL record is loaded when the FPO is released or a Work Order is added.

(See Work Order, page 6)

Trusted Advisor

Top Concerns of Management (All Impacted by Poor ERP Data Quality):

1. Regulatory Compliance—staying legal
 - a) Transparency of Processes—Access and Security
 - b) Rules for Governance—Consistency and Auditability
2. Trust—all stakeholders believe we will deliver on all promises
 - a) Ensuring Accurate Financial Reporting
 - b) Improving Accountability
 - c) Knowing your capabilities; making good decisions
3. Increasing Revenue—Sales Focus: What you can vs. should/could make
 - a) Impact of Data that's "Fit for its Purpose"
 - b) Knowing when to sell Excess Capacity and/or Inventory for how much
 - c) Performance Measurement and Enhancement
 - d) Knowing Customers and Products; Communicating Change
4. Decreasing Operational Costs
 - a) Lower Infrastructure Costs
 - b) Improved Application Use
 - c) Poor Data Quality Costs 10% of Revenue; Re-doing costs 10 times as much as doing it right the first time.

(See Trusted Advisor, page 4)

From Shaggy's Desk

I have lots to go over this time so let me get right to it. First, I want to tell you about the exciting RUG Meeting we have planned. We are going to help CAMUS by combining the Midwest, South Central and Ohio Users Group meetings on November 5. The focus will be on Risk Management and Disaster Recovery. This will be an excellent opportunity to get together with other users and find out what they are planning for the future of their companies.

Our meeting is scheduled for November 5, 2004 in Milwaukee, WI. I guess I will find out how tough those Packers are! Dana/Victor Reinz automotive supplier has graciously agreed to be our Host with a plant tour. In the morning, Jim Greeney from our sister company, asp4edi, will talk on Disaster Planning. He'll focus on the IT Perspective, identifying potential disasters and how to minimize your risk. Then RMS, Inc. will give us more information on Disaster Recovery with a presentation on the IT Nuts & Bolts Perspective.

After lunch (1:00 Pacific), we will participate in a conference call with all the other RUGS. If you have companies in other countries or even other states, you will definitely want to hear Retired FBI Special Agent Robert Glendon's talk, entitled "GLOBAL MANUFACTURING—SECURE?" In it, he will cover such topics as Workforce—how dependable are the people you depend on?; Product Contamination—what tuna & ice cream have in common; Bomb Threats—ruse or reality? Crisis Hot Lines—the set up; Digital Equipment Corporation; Transportation of Goods—no Truth in Shipping act; Business Travel—domestic Do's & Don'ts On Foreign Soil (are you targeted for kidnapping?); and Risk Assessments—countries politically and culturally "good for business." Make plans now because you can't afford to miss this informative meeting.

Heads up! Almost everyone's business is getting ready to go through major changes. Even some of the "Homesteaders" on MANMAN are having to look at ERP systems for their company in future months. The time for decision-making may be sooner than you think. You will plow through a lot of information in your quest and, like always, we at tSGi want to help you do the right thing. Let us advise you about the systems we feel are the best fit for your organization, and help with your migration plans.

For those who plan to stick with MANMAN until the bitter end, we will always offer several Levels of MANMAN Support, and this year have reduced our Level II and III pricing and increased our hours of availability to 24x7. We now have a direct 800 number to the Technical Support Desk so you can get a technician on the phone whenever you need help. At the Support Group, we do whatever it takes to support your operation.

Concerning our partners, I want to let you know that Speedware has acquired the Enterprise Resource Planning (eRP) assets of our partner eXeSys, Inc. Speedware is combining this business with another recently acquired ERP technology based on open components to create OpenERP Solutions. We are part of this strategy, so please give us a call for more information and help with OpenERP Solutions as a replacement package for MANMAN. We have talked to you in the past about IFS, Softbrands, and eXeSys. Now we have added OpenERP to our offerings. Terry says the OpenERP offering will fit many companies who don't want a Tier 1 solution like IFS.

Lastly, are your legacy apps SOX (Sarbane-Oxley) compliant? Even if you don't have to be compliant, it's a good idea to see what "proving your financials" is all about. There is still time to order your demo of the MANMAN Audit Tool. It's the first product to specifically and comprehensively allow you to monitor who is updating any file in your MANMAN system. Call me at 800-798-9862 and I'll see that you get a demo.

Well, I guess that's all for now. I'm looking forward to seeing you in Milwaukee and otherwise hearing from you soon.

Bye y'all, see you next issue! Shaggy

ERP SOFTWARE SELECTION

Finding a Replacement for MANMAN: A Checklist

What to look for when replacing MANMAN:

- A profitable software company
- Good support services
- Happy customers
- Depth, integration, and customization
- Partners who specialize in MANMAN

What problems you'll encounter:

- Your data quality is a lot worse than you think it is
- You'll find this out during data conversion
- You'll be integrating in new ways, draining the swamp so you can see the poor data quality you have
- Training takes a lot of time
- This conversion will take longer than you think
- You'll get much more than you expected but
- You'll miss some of MANMAN's functionality
- It's easier to do some tasks in MANMAN than the new system

Costs:

Suppose that Deployment is 4 times as much as Hardware plus Software List Price:

- Hardware: 10%
- Software: 10%
- Deployment: 80%
- TCO (maintenance and support):
 - Hardware: 10% of SLP for 10 years = 100% of SLP
 - Software: 20% of SLP for 10 years = 200% of SLP
 - Operations: 30% of SLP for 10 years = 300% of SLP
- Total Cost of Ownership: 600% of SLP

** SLP = Application Software List Price

So, if SLP = \$200,000 for 100 users, then Initial Implementation is \$2M and TCO for 10 years is an additional \$1.2M; Total spend is \$3.2M or an average of \$320,000 per year.

What an impact Deployment costs have on total cost! Suppose they are a little over 2 times Hardware plus SLP:

- Hardware: 10%
- Software: 20%
- Deployment: 70%
- TCO (maintenance and support):
 - Hardware: 10% of SLP for 10 years = 100% of SLP
 - Software: 20% of SLP for 10 years = 200% of SLP
 - Operations: 30% of SLP for 10 years = 300% of SLP
- Total Cost of Ownership: 600% of SLP

** SLP = Application Software List Price

So, if SLP = \$200,000 for 100 users, then Initial Implementation is \$1M and TCO for 10 years is an additional \$1.2M; Total spend is \$2.2M or an average of \$220,000 per year. A savings of \$100,000 per year; almost a third of the annual cost!

Define the Goals:

Why are you leaving MANMAN?

What do you expect to gain?

- Do these goals require more people?
 - more training for people?
 - high implementation costs?
 - more infrastructure?
 - integration specialists?
 - more upper management commitment and involvement?

How long do you expect migration to take?

Is doing a "good" conversion more important than meeting deadline?



Trusted Advisor

(continued from page 1)

Your IT strategy supposedly meshes with your business strategy, which means that your technology infrastructure and information services promote the growth of stakeholder value. Measuring the performance of your company's IT contribution to long-term, sustainable growth is the way to highlight the value of information and infrastructure.

Poor Data Quality Problems are discovered when moving data around:

Staying on MANMAN: Interfacing to Other Systems (internal and external)
Going from MANMAN: Migration to Another System

Risk management practices make management look at the possible negative impacts from failures to comply with regulations, failures of new computer-related initiatives like eCommerce, and the simple failure to make sound decisions.

Poor Data Quality causes many problems. From Intelligent Enterprise, 8/7/2004, risks from Poor Data Quality include:


1. Bombing of the Chinese Embassy in Kosovo
2. 2000 Presidential Election
3. Enron/financial fraud
4. Heart/Lung mis-Transplant deaths
5. Intelligence Failures allowing 9/11

What Management can do:

1. Promote awareness at every level
2. Invest in Data Quality Initiatives
3. Integrate People and Technology with Business Processes
4. Focus on the Important Processes First
5. Continuous High-Level Followup

Find a partner who will help you deploy software to profile your data quality.

Build the best possible DQ capabilities within resource and time constraints.

Strategic Priority—Unmanaged Risks Can Bring Down the Company. 

the consumable parts are also scrapped and the shortage file relieved of the entered quantity. The intent of this article was to show how data flows through a Work Order process. The next and last article in this series on Work Orders will cover splitting Work Orders and the discipline necessary to manage that process.

If you have any questions concerning this article, please contact Rob Gentry at **800-798-9862**. ♦

Oops! Oops! Oops!

In the *FORTRAN Procedures and Methods* article in our previous issue, the example should have read:

```
INTEGER CCODE  
CHARACTER BUFFER*80
```

```
.  
. .  
. . .
```

```
WRITE(BUFFER(11:15),'(I5.5)')CCODE
```

with a comma, not a period. Sorry about that.



Crisis Mitigation—Consider the Trade Offs and the Cost Alternatives. It's a sliding scale. No matter how much you spend, you can mitigate forever and never attain perfection. However, companies are seldom accused of spending too much money to improve data quality to mitigate the risk of exposure to catastrophe.

Improve Data Quality Over Time, Step-by-Step

Quantify what it costs to have poor data quality in each department. Each manager should understand the impact and then regularly and continuously work toward and monitor data quality improvement. Whether you are staying or going, Data Quality will bite you in the end.

—Terry H. Floyd, Chairman, Blanket Enterprises

Do you Recognize This Package?

If SSA is describing their new Baan ERP LN offering as accurately as they are describing their MANMAN package, then we have no idea what it can do. Here's the only quote about MANMAN on SSA's Web site in July, 2004:

"SSA MANMAN is an integrated group of software products that addresses the manufacturing, marketing, financial and management reporting needs of manufacturing companies of all sizes and stages of e-commerce. The modular system is designed to streamline manufacturing operations and help you run your business more efficiently—in the plant, online, from anywhere. SSA MANMAN does this by giving you immediate access to timely information and the ability to share it across all areas. Together, the SSA MANMAN products can support a just-in-time (JIT) manufacturing environment, and act as the foundation for your Total Quality Control program."

SSA MANMAN's features—such as online inquiry, interactive data entry and real-time updating—contribute toward making it one of the most easy-to-use factory management systems available. Built-in business policy variables allow you to adapt the system to your unique way of working, which greatly simplifies the implementation process. Bar coding, engineering, interfaces, project management, field service and repetitive manufacturing are just a few of the additional functions in this integrated management system."

Do you recognize that package? Does that sound like MANMAN to you? Do you think the person who wrote this quote understands what MANMAN is or what it offers? Do you hope they know more about the "Gemini" packages they bought from Baan/Invensys than the MANMAN packages they bought from SSA? We do. ❖

Make plans now to attend our next
RUG Meeting, scheduled for
November 5, 2004 in Milwaukee, WI.
The focus will be on Risk
Management and Disaster Recovery.

Support Services available from the Support Group

LEVEL I (BASIC PHONE-IN SUPPORT)

This value-priced service is generally meant for those companies who have a good working knowledge of MANMAN and require minimal support. Our goal is to work in accordance with the original documented MANMAN reference and training manuals.

LEVEL II (EXTENDED PHONE-IN AND DISASTER RECOVERY SUPPORT)

This service is intended for companies that need extended hours of phone-in support, more detailed help, and our Disaster Recovery Services. Our Disaster Recovery service is considered a warm site for major disasters and will cover your business-critical operations. This level is especially recommended for companies with minimal IT support in their organizations.

LEVEL III (REMOTE MANAGEMENT/ OUTSOURCING OF SYSTEMS AND APPLICATION OPERATIONS)

This service is intended for companies who need extensive IT help with MANMAN, or for companies who are migrating to another system and have shifted MANMAN resources in support of the new system.

LEVEL IV (OFF-SITE MANAGEMENT/ OUTSOURCING OF SYSTEMS AND APPLICATION OPERATIONS)

This service is intended for companies with no MANMAN IT expertise. Companies that prefer to completely outsource their operation and companies who are migrating to another system will benefit from this service.

LEVEL IV-B (AUDIT RESPONSE/OPEN ACCESS)

This service is intended for those companies that have made the transition to a new ERP system and need to periodically access historical information and/or respond to potential audits but don't want responsibility for maintaining an HP3000 for 7-10 years as required by auditors and regulators.



Work Order

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Work Orders are scheduled using one of two methods: back scheduling or window scheduling. Back scheduling backs up the start date from the due date by the operation lead times recorded in the routing. Window scheduling backs up the start date from the due date by the Item Master's fixed lead time plus unit lead time. The option is selected with CV#98.

Closing a Work Order can be done in three steps or one as controlled by CV#175. The three-step closing allows the Work Order to be closed for material only (step 1), material and labor (step 2), and for accounting (step 3). Steps 1 and 2 can be reopened later with a utility command, but once it has been closed for accounting, the order cannot be opened by any MANMAN command.

CV#176 determines which commands are allowed to close a Work Order. Example: Can the user close the Work Order with MGTR302 when finished goods are moved to stock?

CV#179 is a limit control for the amount of quantity that can be completed on a Work Order. The options are to prevent the Work Order quantity from being exceeded or to allow the quantity to be exceeded by a percentage factor. This issue is usually determined by individual company policy.

These last variables are associated with the labor and material movement reporting. CV#93 determines how labor is reported, using MGTR309, the Labor Ticket Transaction, or MGTR315, the Job Ticket Transaction. CV#177 allows the system to report material movement separate from labor reporting by using MGTR302 or not. Start and Stop time format is determined with CV#178.

These COMIN Variable settings determine how the Work Order is processed and completed in the system. Labor distribution data is collected relevant to how this is set and data is then stored in the Labor Distribution File (LDFIL). This is an excellent source for reporting efficiency and utilization data as well as other tracking information about Work Orders using report writer programs like QUIZ and UDMS.

Consumables

A consumable part, as defined by MANMAN, "identifies bulk stock parts that are issued from WIP locations to the Work Order operation at which they are scheduled, upon completion of the operation." These are parts that are an "alternative to free-stock but with cost and inventory visibility." In MANMAN, these parts are not kitted during the MGTR310 process, but registered as 'short' on the Allocation File (WOSHT).

Setting up a consumable part begins by optionally identifying the part in the Item Master File (IM) as consumable. This is done by setting the IM consumable flag to '1.' The important thing is to make sure that the Bill of Material (BOM) is set to identify the component as being a consumable part and at what operation sequence number in the routing that part is to be consumed.

Associated with this process is the necessity of identifying the WIP inventory location from where the part is to be consumed. This location is stored in the work center record (WCFIL) of the routing operation where the part is consumed. Now all of the pieces are in place.

Consumable parts are identified in the Work Order Allocation File (WOSHT) with a special consumable key consisting of the Work Order number and a part flag as well as the sequence number where the part is consumed. When the Work Order is kitted, the consumable parts are not kitted, leaving them short.

Normal processing will automatically kit the consumable part when the operation sequence where the part is to be consumed is completed. The key point here is when the operation is completed. The inventory is moved from the WIP location noted in the work center file and the Work Order shortage is relieved for the appropriate part. The commands that complete parts (TR302, TR309, TR315) will ask the user if they want the consumable parts for the operation displayed or not, giving the data entry process the option of manually entering the quantity to be relieved for the consumable part. When scrapping the assembly part at a consumable operation,

(See Consumables, page 4)

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INTEGRATION INTERCHANGE NEWS

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asp4edi's EDiX™ Implementation for MANMAN

JAY PECOT, SENIOR MANAGER, INFORMATION TECHNOLOGY, MATTSON: "We are going live with EDI to support outsourced logistics for Sales Order and Incident Report fulfillment. Our vendor is in another time zone, speaks another language and has demanding requirements. Terry and the asp4edi.com team have made this transition much easier for us by providing experience with OMAR, Serviceman and all aspects of EDI."

RICK JOYCE, SENIOR PROGRAMMER/ANALYST, TELCO SYSTEMS: "I seldom have to even think about EDI. asp4edi personnel, processes, and software perform all functions and monitor all transactions to interface OMAR to our customers via EDI. With the asp4edi group handling direct interfacing with both our customer's technical staff and Telco's application users, our unique business processes were smoothly integrated with our customer's information and processing requirements, with both sides receiving equal consideration and full satisfaction."

JOHN MUNNS, IT MANAGER, SPAN AMERICA: "Terry's group responds to our customers' quirky specifications for our OMAR transaction EDI interfaces. Every customer seems to require something that is special or a little different from the next customer but this has never been a problem for the EDiX™ guys. Their EDI experience and MANMAN knowledge lets them handle any situation."

KERRY GILLIGAN, EDI ANALYST, G&W LABS: "EDiX™ is flexible enough to handle differences between our trading partners. Our customers expect many data points not found in the standard OMAR, but asp4edi finds a way to do it for us without modifying OMAR databases. Terry's team was able to help us interface EDI purchase orders, invoices, and advanced shipping notices when OMAR could not handle it alone. His support team is top notch!"

asp4edi.com 5010 Doss Road, Austin, TX 78734

Call us at 800-798-9862 about your MANMAN integration needs.

asp4edi.com
800-798-9862, 512-266-4400
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