

FABRICATED METAL OPINION PIECE
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The metal fabrication industry worldwide has faced many challenges over the past decade, from volatile commodity prices, to shrinking markets. Businesses are increasingly being pressured into relooking at the way they do things.

South Africa is no different; competition in the market is fierce with many clients pursuing cheaper options offshore, in countries like China and India. Local fabricators are having to compete more aggressively and shrewdly – they can either add more value to their customers or move to a low-cost provider. As a low-cost provider local fabricators would be looking to reduce expenses without sacrificing quality, with an emphasis on eliminating waste and maximising efficiency.

This is just the beginning. Other major issues are fluctuations in material pricing; shifting customer expectations for price and quality; legacy IT hardware and software that limits business agility; a need to provide more precise estimates to customers; and outdated shop equipment, to name but a few.

All these factors add up to create an operational climate in which the inefficiencies and technological limitations of yesteryear can no longer be tolerated. If fabricators want to survive, they must innovate.

Technology is playing a major role in overcoming industry challenges. The 21st century manufacturer understands the need to be agile, flexible and responsive, and requires a software solution that allows leverage to use whatever production methods are appropriate. The software also needs to provide visibility through the manufacturing chain – back to suppliers, along the production process, and up to customers. It must also be able to integrate with other systems in the production environment.

Furthermore, in the modern customer centric world, organisations need to move from being purely transaction-focused to being more relationship oriented, and to improve connections and communication, both internally and externally.

Operations technology or OT, are the systems that are unique to an industry's specific operational demands. In the case of metal fabrication, this means the core shop floor machinery. Solutions that cut with greater precision and reduce waste are becoming popular across the sector. Tools that drive efficiency through new techniques are also rising, allowing fewer workers to get more done.

But even the most efficient OT system requires optimised processes in order to derive long-term value. That is where IT systems come into play; they gather data from throughout the organisation, house it securely where it can be accessed by different types of applications, and support all workflows. In

particular, enterprise resource planning (ERP) systems are gaining momentum as an invaluable all-purpose tool for metal fabricators.

ERP software features end-to-end processes that cover different parts of the business, like customer relationship management, business intelligence etc. They surface data in real time to drive productivity and efficiency.

The right ERP software may be the difference between survive and thrive. It provides a fully integrated solution with a comprehensive set of tools to help manufacturers plan, execute and control production in discrete, job shop, process or mixed-mode manufacturing environments.

Remaining competitive and profitable in a job shop environment demands flexibility, speed and accuracy in meeting customer requirements. ERP provides an end-to-end solution for make-to-order manufacturers by helping to streamline quote-to-invoice processes and improve operational, planning and financial management.

A comprehensive solution helps job shop operators manage the challenges inherent in the custom-order fulfilment process, including improving customer collaboration and service, ensuring quality and on-time delivery, maintaining accurate job costing and pricing, and optimising shop floor scheduling and sequencing.

OT advances are laying the foundation for major gains in the metal fabrication sector, and IT solutions like ERP provide a layer of data-driven intelligence that organisations need to get the most out of their investments. By leveraging the power of the right ERP technology and features, you can streamline your processes and gain complete visibility to shared business intelligence across your operations.

In summary, the metal fabrication landscape is changing and requires an increase in agility and an adaptation to market forces such as smaller batch sizes. An ERP system ensures continuity in value delivery direct to customers, where fabricators can leverage enterprise-wide capabilities. Metal fabricators able to evolve into becoming integral partners to their customers will ride the wave of change and the presented challenges. ERP systems, such as SYSPRO, are the vehicle in this provision.