

# How tight a ship do you run?



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## Quick questionnaire for manufacturers

As general manager or production manager – how tight a ship do you run? To find out, answer Yes or No to the following 27 questions:

1. Have you recalculated your overhead cost and charge out rate within the last 12 months?
2. Do you continually monitor your ratio of overhead staff to factory productive staff?
3. Do you always job cost (or back cost) your jobs as they are completed?
4. Are you confident that you are purchasing materials at the best possible rates?
5. Do you always compare suppliers invoices to your purchase orders?
6. Do you always compare suppliers packing slips to your invoices?
7. Do you always check quantities received against packing slips?
8. Do you always write to suppliers at least monthly pointing out any over charges and credits sought?
9. Have you got good strong terms of trade with your clients and do your clients always sign your terms of trade?
10. Do you manage your debtors tightly?
11. Have you reviewed all your costs in the last 12 months and attempted to negotiate better rates (eg lease, cleaning, accounting, insurance, legal, etc)?
12. Do you annually request your materials' suppliers to quote for the supply of your material requirements for the following 12 months?
13. Do you at least periodically request your materials' suppliers to quote for the supply of materials for particular orders?
14. Do you advise your suppliers of your lost production hours they have caused you with late supplies, incomplete supplies, and incorrect supplies?
15. Do you generate good management reports and do management meet at least weekly to review sales performance, job costing / profit analysis, debtors, current productivity and forward production?
16. Do you use quality control (QC) sheets for formal checking and signing off final product quality and correct specifications?
17. Do you use manual time sheets – where your staff record their times spent on jobs?
18. If you use manual time sheets - do your staff always record accurate times on manufacturing jobs and all downtime jobs?
19. Are staff given an accurate goal of budgeted time for completing each job when they start each job?
20. Do staff know at the end of each job whether they have completed the job within budgeted time or not?
21. Do you track and report the time that your office staff and management work on jobs (usually including pre production processes such as: designing, quoting, site measuring, machine programming etc)?
22. Do you track and report daily staff hours spent on; rework, variations, training, and development?
23. Do you track and report total daily Downtime hours?
24. Do you track and report daily productivity of your factory (actual hours to budgeted hours)?
25. Do you track and report the productivity of each completed job daily (actual hours to budgeted hours)?
26. Do you track and report the productivity of each of your staff daily (actual hours to budgeted hours - on each and all jobs worked on)?
27. Do you advise your staff of their productivity weekly in terms of:
  - o Manufacturing jobs (actual to budgeted hours);
  - Downtime jobs (actual to budgeted hours);
  - Rework;
  - Promptness at day start, day end and both sides of smoko and lunch

If you answered 'No' to four or less questions above, congratulations, you run a tight ship.

If you require a more detailed business audit to better determine how tight a ship you run – go to <http://www.empowersoftware.biz/productivitytemplates.htm> – 'Template 12 - How tight a ship do you run? – Detailed Business Audit' -S-

To subscribers of Supplier Magazine – I will provide one hour's free business consultancy critiquing or discussing your Business Audits or discussing any aspect of your factory productivity or business management. Feel free to contact me by phone +64 27 2284211 or email [seansos@ihug.co.nz](mailto:seansos@ihug.co.nz)

(Some conditions do apply)