

## Productivity solution pays for itself



Zooby Cabinets, WA – a case study for Supplier Woodworking magazine.

By Sean O'Sullivan, Empower Marketing NZ Ltd

*"Twelve months ago we put two second hand PCs on our factory floor, which cost us \$500, plus we invested in \$11,000 worth of industry developed job and staff time tracking software in. With this labour management software we have achieved 150% additional production from all our factory staff, which increases our profit by \$225,000 per year."*

*Managing Director of Zooby Cabinets, Colin Ballantyne.*

"Twelve months ago I had not given it much thought and, I suppose, I assumed that our factory floor and staff were productive at manufacturing kitchens," said Colin Ballantyne. "However, we were starting to lose jobs on price and our profit was too low so we knew we had problems. Our labour times were too long and our labour cost were too high on each kitchen.

"We did have a manual system where our factory staff recorded in their work diary at the end of every day the times they started and finished each job. Our admin staff then keyed these times into the job cost part of our finance software to enable me to review the actual times taken on jobs against the budgeted times that we had in our quotations.

"I think that our factory staff were, at the end of the day, making their best guess at recalling and recording their start and finish times on jobs

but, when scrutinised, the times reported on jobs were found to be substantially in error – hours out at times. As the times reported were highly inaccurate, myself and other management could not carry out three critically important functions in our business, namely:

- we could not use the actual times to motivate our factory staff to work more productively;
- we could not use the actual times to discuss with our factory staff why they ran over the budgeted times; and
- we could not use the actual times to improve the accuracy of future quotations.

"The solution to our problem was simple – we needed to replace our manual time recording system with a factory floor based computerised system."

Zooby Cabinets invested in two \$250 second hand PCs for the factory floor and Empower Job and Staff time tracking software. The Empower deal included all the factory and office software required as well as software installation, factory staff and management training, implementation advice and unlimited on-going monthly direction, advice and support.

"This package was \$11,000 total, with terms payable over six months, which made it easy to afford," said Colin. "The software was quick, simple and painless to

put in, set up and learn and we got significant production gains in the first week of putting it in.

"We followed Empower's advice and broke our jobs down to four stages of each kitchen – CNC and edging; assembly; benchtop and installation. Shortly we will progress using Empower to track additional processes including pre-production (before client order, ie selling and design); pre-production (after client Order, ie detailed design, order materials, receipt materials, program machines, site measure etc); rework and client requested changes.

"For each new kitchen a client ordered we then put into Empower the total budgeted time from our quotation plus the budgeted time for each stage of each kitchen.

"On the factory PCs our factory staff get to see the jobs assigned to them, the budgeted time they have available to them to complete the job and when they started each job and the actual time they achieved when they finished each job. In short, Empower Software gave each of our factory staff a performance review at the end of every job.

"The biggest gain we got was from our factory staff being aware of the times and knowing immediately at job finish how their time went against budget. Our staff really stepped up to the plate and have maintained their high productivity. Our foreman

uses Empower Management version live throughout the day to view production and productivity of each kitchen and each staff member.

"As MD of the business I view and analyse performance on every job and discuss performance with my foreman and factory staff regularly. As the times from Empower are highly accurate our staff fully accept the times, which makes the discussion about performance possible and beneficial.

"Also, as the times from Empower are highly accurate, we can make far better business decisions because our decisions are based on accurate facts rather than on gut feelings, averages and historical times and events.

"Up to 12 months ago we had five factory staff and one foreman. After using Empower for only 12 months we now produce the same number of kitchens and achieve the same monthly turnover with two factory staff and one foreman. Three less staff saves us in excess of \$225,000 in wages each and every year.

"Looking back, prior to having Empower Software our business was highly unproductive and our business was bleeding cash and floundering as a result. We got a full return on our investment on Empower Software in less than two months.

"Empower is the single best investment we have made in our business in the last decade." ●