

SUCCESS STORY

Elsum Engineering

M1 provides real-time information and customisation to help meet customers' expectations

With more than 15 years' experience in both IT and manufacturing, Brett Mackieson knows exactly what he wants and needs from ERP software. As General Manager of Elsum Engineering, Brett sought a solution that would ensure the company remained competitive and on track to meet its growth projections.

"A lot of sheet metal manufacturing (in Australia) has been going overseas, but we have plans to be around a long time, so there was an imperative for us to meet a changing marketplace."

With competitive pressures in manufacturing increasing, Elsum needed to ensure that staff were all "on the same page" with dynamic, real-time information and that they continued to meet customer expectations on all fronts.

A need for scalability and uniform communication

Given their continued commitment to growth, Brett Mackieson stresses the need for scalability. "We do customised work too and often are faced with short delivery cycles. We need systems that enable quick, scheduled production when the customer requirements demand it." We were keen to look at enterprise resource planning (ERP) systems as a means to integrate our information needs across the entire company with an integrated software application."

Elsum Engineering has supplied thousands of sheet metal products—anything from simple bracketry, panelling, and polished brightware, to complex welded chassis assemblies—for more than 30 years. Cutting-edge, in-house facilities, and an accredited supply chain network enable Elsum to provide a "genuine" turnkey service specialising in small-to-medium volume, component design and optimization, and manufacture. Its ERP software is key to Elsum's needs.

"It's integral to our business. Before we installed ERP software, I saw a bunch of sub systems that did not talk to each other. I set out to satisfy



OVERVIEW

Elsum Engineering
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Melborne, AU

BUSINESS CHALLENGES:

- The company needed a scalable, modular solution that could add functionality as needed.
- With short delivery cycles, Elsum needs a system that enables quick, scheduled production when the customer requirements demand it.

BENEFITS OF SWITCHING:

- The modularized ERP solution offers the ability to roll out different units as plug-ins to the same framework.
- The open-ended framework keeps Elsum flexible by allowing them to come up with business rules and then "fill in the dots."



"...our customers appreciate Elsum's ability to service not only scheduled order delivery but more demanding ordering styles."

our needs, including short lead times, quick turnaround, high quality. We went to the market looking for a solution in a complex manufacturing environment where there might be 400 customer orders at any time and 10-15,000 components as well as disparate materials to deal with and where there is some very expensive, high-end technology at play. You want to squeeze the efficiencies and gain productivity improvements. We run a 24-hour operation. Moving to an ERP, where the whole company runs on one system, you need to ensure stability. Even 10-minute downtime is costly; uptime is critical."

**What makes M1 so special?
Flexibility + customization.**

"Our brief was simple: here's what our business does. You show us how it's going to work."

Brett Mackieson says that the process produced some surprises. "We pulled some random case studies to test suppliers and found some ridiculous price points. M1 ticked all the boxes for our particular needs."

Customisation was a factor. "We look at

future proofing, an ability to customise, and how the software was going to behave. Is it modularised? Is it built-in units? We needed to see an ability to roll out different units and modules, for example, Quality Assurance, as a plug-in to the same framework."

He points out that with four mid-sized manufacturing plants on site, there is a major investment in plant. "We have a lot of high-end technology from Japan operating 24/7." He says that the ability to customise the software to their applications was key. "Our production runs are real-time; the system works in real-time over multiple plants."

Elsum has established itself as a leader in the Australian landscape with a strong international (export) presence. Now in its 31st year, Elsum deals with both small and large OEMs and fabricators, including, for example, vehicle giant Kenworth Trucks. Operating out of a significant site at Bayswater North, Victoria, on the fringes of Melbourne, Elsum Engineering handles new and existing sheet metal requirements from one-offs to high-volume production. With full ISO 9001:2000 accreditation, Elsum



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benchmarks its quality performance against a target of 50 parts per million: that’s a target of 50 defects for every million components manufactured—regardless of volume, supported by design, engineering and production staff experts.

The company has in-house technologies that embrace 2D and 3D CAD modelling capability, automated 2D and 3D laser cutting, computer controlled 7-axis bending and forming and quality control, and “mistake proofing” of customer product. Brett Mackieson says its manufacturing flexibility is a competitive advantage. “(And) our customers appreciate Elsum’s ability to service not only scheduled order delivery but more demanding ordering styles. Our customers provide a drawing, a spec, we deliver a finished

product. With our sophisticated ERP and live shop floor tracking system, we manage the most simple and sophisticated production requirements and volumes to arrive at our customer’s door on time every day. That’s what customers like Kenworth demand.”

Brett says that a company like Elsum, facing an increasingly competitive landscape where offshore labour costs are much lower than in Australia, still needs to maintain optimal flexibility and quality. “That’s vital. What I like about M1 is that you come up with a set of business rules, and then you fill in the dots. It’s the open-ended framework that will make us super users of M1.” “(Going forward), I want to be refining M1 rather than changing; it is a core part of our business.”

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