

# TO MRP OR NOT TO MRP? OR HOW DO WE MOTIVATE MANAGEMENT TO ACCEPT AND IMPLEMENT COMPUTER-BASED SYSTEMS?

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## INTRODUCTION

The problem of motivation of management may be split into two main areas: Senior and Middle Management. The problem is similar for both, and the solution may also be similar for both, but may need to be approached slightly differently.

## SENIOR MANAGEMENT

### The Problem

Senior Management awareness of systems, their function and availability is almost entirely dependent upon their Middle Managers' knowledge of such systems. Having been made aware of the need for improved management and control techniques, Senior Management will expect to be proved to them the cost benefits of implementing such systems.

This aspect of the problem is not nearly as difficult as it may first appear. There is sufficient information normally available within a company for middle managers to be able to identify cost savings from the usual areas of inventory, (raw materials, WIP, and finished stocks) and possible savings on staff. Suppliers would often be prepared to negotiate reduced prices in return for longer term contracts. All these can show cost benefits in a relatively short term.

The rather more intangible benefits of a stronger position in the market as a result of improved delivery performance; a greater opportunity for expansion either of the product range, or the manufacturing capability, etc. cannot easily be quantified or costed. However, experiences of other companies may be sought. Successful companies are only too ready to share their experience.

### The Solution

The simple answer to the problem of motivating senior management is — preparation. No Director is going to commit his company to what is likely to be several thousand pounds worth of expenditure if he cannot see an early payback.

Having decided on the type of system required, the middle manager's cost justification must show a return in less than two years. If it does not, then he should look again at

- a. the functionality of the software — does he really need all the bells and whistles in the first year? (e.g. is Shop Floor Data Capture really a vital part from day one)?
- b. the hardware requirements — why must every supervisor have his own colour terminal?
- c. the savings — was the estimated reduction in inventory costs really only 3%, or was it truly higher?

Not only must the case be properly prepared, but a reasonable review of the available systems should also have taken place.

As may be seen from the trade press, there are many systems available to the unwary. Before embarking down the systems road, the prospective user should be very clear on two points: what he needs from a system and what he thinks he wants from the system. The difference between the two may amount to several thousand pounds, and

success or failure!

It should be remembered that in preparing a case for implementing manufacturing control systems there could be a hidden cost of implementation — the people required to carry out the implementation. Hidden costs would not only include consultancy charges, but, closer to home, the secondment of some of the key staff to the project.

There is always a temptation for management at all levels to assign the project of implementation to the more junior members of the management team — graduate trainees are favourite "fall-guys". With a project as vital as this, all levels of management must be totally committed, and it is a sign of inadequate preparation by Middle Management if Senior Management allow the implementation to proceed on the basis of "You want it. You make it happen!" Senior Management must be sufficiently motivated by Middle Management's preparation and presentation of its case to want to implement the systems.

## MIDDLE MANAGEMENT

### The Problem

It is assumed in this instance that Senior Management are considering the need to implement Manufacturing Control Systems. Often they have been made aware of the financial benefits to be gained, by their accountants or (Heaven forbid!), the Auditors.

The problem facing Senior Management is, again, one of how they present the benefits to be gained from implementation, and how they will then motivate their Middle Managers.

Although the benefits to the company are still those of cost reductions, this cannot be presented as the major reason for implementation. Middle managers (especially in manufacturing areas) have, traditionally, not been over-concerned with costs. Their brief has been to get the product out, on time, at *all* costs!

Middle managers are not always in a position to be able to step back from their jobs to take an objective look at where they, their department, or the company are going. This is unfortunate because the success or otherwise of the company may depend as much, if not more, on them as on the Senior Management, who may also be unaware of this situation.

Reference was made earlier to the traditional view of many companies and managers in the manufacturing areas that costs were the responsibility of accountants. This blinkered view may also indicate that managers are not considering their position and function in the total organisation.

### The Solution

One way to motivate Middle Managers is simply to tell them that their jobs depend upon a successful implementation. This approach certainly concentrates the mind, but it is doubtful that it truly motivates. The consequences of an unsuccessful implementation could not only be the departure of Middle Management, but Senior Management as well.

It may be more effective, in the early stages of Senior Management's approach to the implementation of manu-

facturing control systems, for them to find out how their middle managers view their own positions viz-a-viz the company and the future.

Such a survey could be carried out by an independent body (consultancy), but the results cannot be anonymous. Senior Management need to know how each manager ticks. The following questions (or variants) can provide senior management with a good guide to their staff. (It must be assumed that the questions will be answered honestly.)

1. How do you view the progress of the company in x years?  
(x to be determined by senior management)
  - 1.1 What do you foresee as the company's major successes?
  - 1.2 What do you foresee as possible failures?
2. What plans do you have to improve the effectivity (and profitability) of your areas of responsibility in the next 12, 24, 60 months?
3. How do/will you measure 2?
4. What information is vital to you to carry out your function?
  - 4.1 What is its source?
  - 4.2 How reliable is the source?
  - 4.3 How accurate is the information?
  - 4.4 Does anyone else in other departments use the same information?
  - 4.5 How long (on average) does it take to prepare and obtain the information from the initial request?
5. What other information not currently available to you would you wish to have?
  - 5.1 How would you use it?
6. Have you considered the use of computers in your work?
  - 6.1 If you have, which specific aspects of computerised systems do you feel would be of help to you?

The list could go on, but even such a simple list would provide an insight into the middle management attitude to control systems.

To a certain extent questions 1 and 2 may be covered by a staff appraisal/management by objectives scheme, but it is useful to re-iterate them in this context.

Once the decision to implement a computer based manufacturing control system has been made, and the key managers identified, it is vital to ensure that *all* management are committed to the successful implementation of the system. The survey outlined should have identified the sceptics, and it is those sceptics who may need either to be persuaded or moved if success is to be achieved.

Persuasion of the sceptics and improved commitment of the rest can only be achieved by Senior Management demonstrating that they, themselves, are committed to the project. This may be done by the provision of on-site and off-site training and education. In addition, and more importantly, it is vital that the project is properly planned, especially the planning of resources required, including middle management time.

Middle management are the key to a successful system implementation, they are also vital to the running of the business. Senior Management must balance the two very carefully, if necessary taking on themselves or delegating some, or all, of a middle manager's duties.

### Conclusion

Although the title referred to MRP, this paper was not intended to discuss the merits or demerits of that system.

It was intended to address the problems of motivation, the hardest part of which is continuing to motivate. Only on-going training and education can do this.

Education is not a one-off exercise, it must continue throughout the implementation phase of any project and afterwards. All levels in the management structure must be made aware of what benefits they, personally, will derive from the system if they are going to put any effort into implementation and maintenance of the system.

### About the Author

JEFF WALKER is Manufacturing Systems Consultant with Royal Ordnance Plc., responsible for supporting the implementation of Manufacturing Control Systems (primarily Integrated Business Systems from Trifid Software Ltd) at sites throughout the UK. He has been associated with P & IC for over 15 years, primarily in the automotive, and domestic appliance industries, latterly, in the varied engineering and chemical industries of Royal Ordnance.

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