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In this issue...

Feature Article: [Change the data flow to change the game](#) by Peter Thorne

Article:

With the perspective of hindsight [Allan Behrens reviews 7 years at Cambashi](#)

Hot Topic: [Social Networking - collaboration or anarchy](#) asks Bob Brown.

Book Review: [MES Guide for Executives](#) by Bianca Scholten is reviewed by Julie Fraser

Noticeboard: Events

20-23 September 2009, CSCMP, Chicago, IL, USA

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Quote for Today

Nothing is as simple as we hope it will be.

Jim Horning

Feature Article: Change the data flow to change the game

Innovation in all its forms is one of the ingredients that drives business success. And 'breakthrough' or 'disruptive' innovations trigger changes in a market that shake up the old order and allow new players to become established or even take the lead. But, in the world of information and communication technology, what types of innovation are likely to offer that kind of impact? When you attend the next strategic planning session, what should you be looking for?

Some breakthroughs are technical, and some are breakthroughs in market perception. For example, in the 1990s, when the relatively established technologies of manufacturing resource planning and enterprise financial management were brought together to form enterprise resource planning, of course there were vital technological innovations. But for many people, the breakthrough that led to the creation of the ERP market was one of perception. By combining several departmental applications into a corporate application the community of users realized that this innovative integration saved cost and time by simplifying and automating data flows that were manual, slow and error-prone. By putting key information into 'the database', it was possible to simplify or eliminate tortuous business processes that existed solely to synchronize multiple versions of the same information. Conceptually, it was simpler and easier to access the central information store.

Of course, there is debate over the overall impact of ERP implementations. But the recognition, by the user community, of the potential value of replacing established, complex data flows with simpler, more direct data flows is a pointer to one place to look for breakthrough innovations. It is one thing to understand the established procedures, and offer solutions that improve productivity and efficiency. But to change the game, it is necessary to go to the next level - understand what is behind existing workflows and processes, and find a better, more direct and perhaps automated approach.

Manufacturing industries have often formed the test bed for software product innovation. Today, ten years after the ERP and Y2K disruptions they maybe ready for the right offer of this type. Many companies have implemented ERP and PLM systems in ways that have given better control (or at least visibility) of workflows throughout their organizations and used this capability to avoid being overwhelmed by the complexity of partnering arrangements and global supply and distribution networks superimposed on turbulent, unpredictable economic conditions. Yet there are some important questions that remain open. For example, is it possible to reduce overall supply network costs, rather than simply move costs and risks onto the weaker players in the network? If so, then the members of the network will all benefit - lower costs mean less waste, with more precise ways of satisfying demand. But inevitably this implies a more closely-coupled supply network, which will mean that small problems can turn into big problems in a short space of time. And the company dealing with the final customer may not have the power to organize the network, so customer satisfaction may be harder to deliver.

But the lure of lower costs and faster response is strong, so innovators that can find ways of solving - or, perhaps better still, bypassing - these problems are likely to gain the attention of the decision makers behind manufacturers' IT investments. A vendor that comes to market with new ways to address some key stakeholder issues as below will trigger interest.

For the customer - ensuring feedback reaches the source of the problem; or enabling customization discussions direct with design and manufacturing.

For the plant-floor - finding ways to increase re-use of existing processes, and reconfigure processes to match immediate production quantities.

In production planning - extend the existing view from the enterprise to the industry network; and find ways to adapt the manufacturing and distribution plan dynamically, in-step with new information about customer demand.

In operations - earlier discovery and response to issues outside the control of the enterprise.

In the executive suite - visibility and transparency of risks and rewards for partners in the industry network, and better confidence that targets and actions handed to managers do indeed match and drive the business strategy and plan.

Of course there are ways of dealing with these topics today. But I suggest that an innovation that introduces a new, simpler dataflow as part of the solution is the most likely to have the disruptive, breakthrough impact that will change the game.

[Peter Thorne](#)

[Back to top](#)

With the benefit of hind sight: Allan Behrens reviews 7 years at Cambashi

I still find it difficult to believe that I'd been at Cambashi for seven years! It really doesn't seem that long. I must admit that before I joined Cambashi I was pretty naive on the workings of the analyst community. My dealings with them in the 90s consisted mainly of reading competitive numbers, speaking at their events as an emissary of the channel community (Daratech VAR and Cambashi conferences amongst them) and in participating in vendor forums. More specifically in my position as chair of the Computer Suppliers Federation, and lead in their Engineering Solutions Forum. Unknown to me were the workings behind these organisations; their numbers, the papers, primary research, the advice. So when I joined I thought what a great opportunity to learn!

And I wasn't disappointed! I learnt a lot. I was determined at the outset to try something new - not to just expand on what I'd done before but to really step out of my comfort zone and I certainly achieved that. Working with 'those bright people from Cambridge' was somewhat of a daunting challenge when one has a history of business and sales. But I soon found that my experiences were useful to others, in particular our customers and, in fact, as I learnt from others, they could benefit from me, hopefully. A true win-win outcome!

When they say 'variety is the spice of life' I can also add that over the past years I've also had more than my fair share of variety. Customers ranging from the largest IT companies in the world to the smallest, end user contacts from a broad range of industries in many countries; some reflective, some innovative but always interesting.

Although the companies may be different, and there is rarely, if ever, a secret sauce or silver bullet, but nevertheless answers emerge if one works together towards common objectives.

When people asked me what we did at Cambashi I coined the phrase "we help to answer our customer's questions". If the truth be known, our customers and my colleagues helped me to expand my knowledge and experience of business, people and processes; more importantly they helped me to understand and prioritise the questions that really need answering and how to go about getting them answered. I'm very grateful for that. It's not always easy to see the wood for the trees.

[Allan Behrens](#)

[back to top](#)

Hot Topic: Social Networking - Collaboration or anarchy?

You don't have to look very hard to find stories about the pervasiveness of social networking in the work place. We have all been around long enough to know that the market cannot be controlled. This stuff is growing because individuals want what it has to offer - so it is something with which business needs to come to terms. This is the latest in a long list of challenges with which CIOs have needed to overcome and it serves to highlight the duality of technological advances. Every new technology advance brings associated capabilities that represent benefits and risks - and social networking isn't any different. There are perhaps fresh dimensions to this particular challenge - such as the transformations we can expect in the workforce as a result of the growing importance of generation X and generation Y. Recent, new and prospective members of the corporate work-force bring a new set of skills and values into the business - which may not be in harmony with the strictures and policies that are currently in force.

In a world in which good governance and risk analysis have become two of the major concerns of the CEO, the idea that staff can use the company's infrastructure to exchange pleasantries in an uncontrolled, and uncontrollable, manner is surely a matter of concern. The problem of course is not the vast majority of the users and the traffic which is innocent - but the remainder that is potentially more malign and pernicious. It is clear that the boundary between the business and the rest of world is going to become just as blurred as the boundary between work and private lives of staff - especially the latest wave of recruits. This has serious security implications in terms of malicious attacks. For example, I reviewed a seminar the other day that considered the hacking opportunities in Second Life - a tool that some people are investigating as a learning and simulation environment for training purposes.

The next part of the problem is about the tools the individual uses and the places where they lodge data that belongs to the company. What level of control is suitable to enable, or control, an individual worker to use an application delivered to the workplace by the cloud, upload some data, do some analysis and move on? If the session has a cost this could be paid and recovered through an expense claim. But has the application in the cloud provided suitable security for the data? A further dimension is the extent to which individuals' private observations while at work might be deemed to represent the views of the company - is there an obligation on the employer to be able to search and disclose such correspondence?

The parallel use of a common IT infrastructure to facilitate communication between staff, both within and outside the enterprise, represents "shadow IT" on a potentially grand scale. The processor cycles, memory and bandwidth that all of this consumes may not be trivial. So, in addition to everything else there are cost implications. It is of course great that people have found ways to use new technology to build a far richer communications environment - within which it has become possible to sustain a network that is very much larger and dispersed than was previously imaginable. However, for the people charged with keeping everything safe and secure, this is a headache that isn't going to go away anytime quickly.

[Bob Brown](#)

[back to top](#)

Book review: MES Guide for Executives by Bianca Scholten

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Understanding Plant Floor Software Strategy

In surveys over the past 5 years, many manufacturers have indicated that they are planning to purchase

a manufacturing execution system (MES), so it's time for managers in production companies - and those in adjacent software segments - to understand at least the basics. Bianca Scholten's new book, MES Guide for Executives, provides just the right level of detail for an overview.

As a disclaimer, I know the author, and she sent me a personal copy of this book. I am also the Cambashi authority on MES, having followed this plant floor software space for over 20 years - since before it was named. So, most of the information in this book was not new for me.

Yet for someone not experienced with MES, I believe the book is valuable and on-target. For one, it's truly short enough to read in a few hours' plane ride, at 135 pages (before the bibliography, glossary and appendices which are important for learning). It delivers a practical framework to understand what MES is and the decisions a company will need to make.

The first decision, refreshingly, is whether a company is likely to need MES. So Chapter One includes a guideline for when ERP might suffice versus when MES will be needed. I found that picture a bit simplistic, but on the mark. Readers who want to know more about MES are encouraged to read on. The rest of the book provides insights into how to scope an MES project and set expectations; how to buy a system; issues for implementing, adopting and maintaining a system; intricacies of multi-plant roll-outs; and the value of ISA-95, the plant-to-enterprise integration standard.

The author, a Europe-based consultant, often quotes co-workers and leaders from companies that have implemented systems. Had I been an editor, I might have suggested a few changes, but the book is a good foundation for those seeking to understand MES and prepare for projects.

[Julie Fraser](#)

[back to top](#)

Noticeboard

Events

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[back to top](#)

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