

Attaining Better Operational Efficiency with Integrated Office Software

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As a general manager of an ethanol plant, you come into the office in the morning and turn on your computer. The first thing you see on your screen is your monthly revenue, your profit margin, the price of corn that day and your average ethanol production in the past year to date. All of a sudden, a reminder pops up letting you know that you have a meeting with the board of directors tomorrow and you have to prepare. You begin to panic.

Can you relate to this? Are you overwhelmed with the need to find the controller, plant manager and/or lab manager to get all of the necessary information to share with the board? If so, consider “integrated innovation”—technology that ethanol plants should keep in mind when evaluating their operational efficiency.

Integrated innovation is about building the company’s software systems in a way that allows the systems to work together efficiently, creating a seamless user experience. Information from one operational system—including investor or member relations, construction management, commodity procurement, manufacturing, inventory management, supply chain management, logistics, marketing, risk management, and accounting—is accessible and integrated to another operational system. As a result, users will save time and increase productivity by reducing duplicate data entry and human error.

Users can further integrate their software solutions through a planned integration—referred to as the “technology stack”—which includes the user’s desktop, server, system software, applications for productivity and collaboration, business applications, and additional add-ons to satisfy specific business needs. A tightly integrated stack facilitates communication by maximizing the interoperability of the system, allowing for a significant focus on management reporting.

Why it’s Important

By having an integrated software system, you eliminate the need to duplicate information because the systems can talk to each other. This enables users to have easy access to information with an end result of getting the right information for the right person at the right time. Integrated innovation allows the user to actually use and interpret the data that exists within the various systems to get an accurate picture of how the plant is performing today and to help predict future trends.

The benefits of integrated innovation are real and simple with the most significant being a substantial return on investment. Simply stated, by investing and implementing integrated innovation, you will receive value for every dollar spent on technology. Some of the other benefits to integrated innovation include:

Sharing information across the entire organization ~ Share and provide accurate information about the company’s operations with all employees enabling them to make better business decisions and take more effective action. Customized home pages for key roles across the organizations will provide employees with critical information for the day-to-day operations like profit margins, commodity prices, news or a warning alerting them that one of the existing ethanol batches has been infected, prompting the appropriate follow-up action.

Streamline business processes and improve process management ~

Anticipate, manage and respond to changes in the marketplace to maximize and improve future business opportunities. Ethanol production can be ramped up more quickly to take advantage of high profitability scenarios because information is easily accessible and shared with the right people at the right time.

Create effective and productive teams ~ Powerful communication and collaboration tools assist teams to work together with speed and agility, thereby achieving their goals and improving overall productivity. This would facilitate the communication between the plant's commodity procurement, ethanol production and the sale of co-products, preventing the possibilities of a feedstock shortage, or the overselling of ethanol and co-products.

Improve individual performance and confidence ~ Gain insight into daily data to take action and make decisions to move the business forward in an increasingly demanding business environment. With access to the right information, your lab manager may be able to find the optimal recipe by analyzing the cost of inputs and yield by batch.

When is the Time Right?

You may be asking yourself whether the effort, time spent and costs to implement an integrated solution within your organization are really worth it. In 2006, Keystone Strategy Inc. found that of the 161 manufacturing organizations studied, the companies with better information technology capability grew 6.8 percent faster than their peers with weaker information technology capability.

If you are building or constructing a new plant, you need to start thinking about integrated technology at the same time your business plan is being prepared. Technology exists to facilitate a number of key milestones: equity drive, the addition of shareholder/member management, plant construction, accounting and finance, regulatory reporting, and so much more.

If you are an existing ethanol producer, you need to start thinking about integrated technology at a time when your existing systems are no longer meeting your needs, or when you are considering a plant expansion or possibly building a second or third location.

If plants don't consider integrated technology—and instead opt to use disparate systems and software that isn't specifically tailored to fit their business model—the following could result:

- Wasted dollars spent on technology as you try to find the optimal solution.
- An inefficient way to pull and access information that has been previously stored in the system.
- Wasted productivity and time because information has to be recreated or reformatted every time you need to use it.
- Inefficient processes because data has to be re-keyed into a different system.
- Lost productivity because of the required duplication of information.
- Employee dissatisfaction because they don't have access to real-time information
- Shareholder dissatisfaction because you are unable to provide them with profitability information in the requested format or in a timely fashion.