

## Best Practices for Using the Macola® Software

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Best Practices are a way of thinking and acting, and they apply to every department within your company. Best Practices are well known for having an essential role in boosting profits and streamlining operations. These practices encourage every business to improve its operations continuously. The following Best Practices were identified while working with Macola® customers over the past thirty years:

**Top management leadership** – Top management must set an example and support a continuous improvement and self-responsibility culture.

**Ownership of data** – Individuals need to be responsible for the accuracy of their inventory, bills of material, customer, vendor, and selling price files. Ownership extends to monitoring customer, purchase, and manufacturing orders.

**Dates** – As a company, agree on how to use the Macola® order dates. For example, what field are you using to document when customer orders need to be shipped? What date field is to be used for the purchase order due date?

**Data clean-up & accuracy** - Close out purchase and production orders regularly to improve the accuracy of your open order reports.

**Coding** – Decide on a small number of customer types, product categories, material cost types, etc., from which you can analyze your operations.

**Inventory Accuracy** – Strive for 98% accuracy for on-hand quantities and 100% for on-order quantities.

**Inventory Replenishment** – When it is time to replenish via a purchase or production order, establish a policy for how much to order. Vendor lead times, reorder levels, and safety stock levels must be reviewed continuously.

**Product Costing & Margin Analysis** – Actual product costs should be rolled up monthly to allow product margin analysis.

**Real-time reporting/posting of transactions** – Shipments, purchase order receipts, and production need to be posted by the end of each day.

**Timely wrap-up of physical inventories and month-end closings** – Allow the posting of next-month transactions while closing the prior month's general ledger. Set a goal to reconcile your physical inventory in two days.

**Performance metrics** – Develop metrics (ex. on-time shipping) to evaluate daily performance. Encourage improvement suggestions. This includes monitoring past-due customer orders, purchase orders, and production orders.

**Training** – Someone should be assigned to conduct each employee’s initial and ongoing training to ensure a smooth workflow. Each manager should know the Macola software and how to use it to help them.

**Written procedures** – Document (in writing) how you want your day-to-day work to be processed. This should include, for example, how to create new inventory item numbers.

**Record retention** - Establish a retention policy for critical transactions. Purge or archive transactions each month. For example, you may want to retain two years of inventory transactions and five years of sales transactions.

**Computer network & Macola SQL database** – Maintain an up-to-date computer network and database software to avoid slowness and downtime. Your SQL database should be re-indexed at least weekly and periodically optimized. Nightly back-ups must be off-site, and old data should be purged or archived monthly. Database recoveries need to be tested annually.

**Macola Advanced Features** – Managers should constantly evaluate if further automation is applicable and cost-justified. This includes bar-coding, ACH vendor payments, importing of customer payments, EDI, automated emailing of customer invoices, and production scheduling, etc.

Questions and comments on the above best practices are welcomed. Contact Mike Leahy at (513) 723-8103 or [MLeahy@LeahyConsulting.com](mailto:MLeahy@LeahyConsulting.com).

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Leahy Consulting is an independent ERP consulting company with over 30 years of experience supporting and optimizing Macola® ERP systems. Leahy Consulting is not associated with ECI® Software.

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