



MAKE-TO-STOCK (MTS) MANUFACTURING

Multi-Modal Industry Brief

MTS manufacturers produce discrete or batch process finished goods to stock in advance of orders based on actual and forecasted demand. Incoming orders are fulfilled from stock instead of manufacturing.

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Minimize Costs, Increase Turns, and Optimize Operations with a Future-Proof ERP Platform

Make-to-stock (MTS) manufacturers use historical item demand history, blanket sales orders, and forecasts to drive production plans. Demand forecasts push or drive downstream activities such as procurement, component production, and resource scheduling.

MTS manufacturers often sell consumer products or proprietary items. Examples include producers of discrete products like appliances, consumer electronics, apparel, home goods, furnishings, and hardware. Other MTS manufacturers use batch processing for beauty supplies, food and beverage, and cleaning supplies. MTS companies tend to be larger than make-to-order (MTO) businesses because standard products are made and sold in larger quantities.

Customers are distributors, retailers, consumer or business service organizations, or commerce storefronts who collaborate on forecasts to ensure ample supply for projected sales. Manufacturers may overstock items to prevent stock-outs and costly rush orders. Overstock results in obsolete inventory, inflated carrying costs, and low inventory turns increasing warehouse overhead.

Modern ERP applications like Acumatica streamline MTS planning processes with real-time insights into stock levels across locations. Connected demand forecasting applications, blanket sales orders, material planning, and scheduling work harmoniously to minimize inventory levels while alleviating costly stock out situations.






This industry brief explains critical MTS business processes with an overview of technology requirements and an ERP feature checklist. Discover how peers thrive with a future-proof ERP platform designed for MTS manufacturing.



MTS manufacturing hinges on inventory transparency, precise demand forecasts, and efficient manufacturing processes. Issues with any of these crucial systems causes significant challenges for companies resulting in reduced profits, low competitive positioning, and unhappy customers.






Inventory Management

Accurate inventory impacts demand planning and order fulfillment. Know what you have in stock, identify fast-moving and high-volume items, and conduct frequent inventory counts for on-going inventory accuracy.

STOCK ACCURACY		STOCK MANAGEMENT		STOCK STATUS
Physical Inventory  <p>Create movement classes, use ABC rank codes, and mobile apps to streamline physical inventory activities for full or partial counts</p>	Warehouse Automation  <p>Improve data accuracy with barcoding, warehouse transfers, and flexible workflows for picking, packing, and shipping</p>	Item Management  <p>Manage items, product families, suppliers, costs, pricing, lead times, and substitutions</p>	Inventory Control  <p>Define warehouses, stock locations, bins, safety stock, reorder points, lot and serial numbers, and expiration dates</p>	Business Intelligence  <p>Monitor inventory levels in real-time with role-based dashboards, flexible inquiries, actionable reports, and notifications</p>






Demand Forecasts

Demand planning is essential for MTS manufacturers. Define known demand with blanket orders, improve sales forecasts with embedded CRM, create manual forecasts, and use history for statistical forecasting.

CRM QUOTES	DEMAND FORECASTS		HOLISTIC DEMAND VISIBILITY	
Opportunity Management  <p>Improve forecasts with configurable sales workflows and quote management with electronic signatures</p>	Manual Forecasts  <p>Create forecasts for manufactured items or import customer forecasts to drive demand plans</p>	Replenishment and Statistics  <p>Use replenishment or connected statistical forecasting apps to predict demand based on historical transactions</p>	Projects and Services  <p>Improve forecasts by including item demand from projects, construction projects, or field service for material planning</p>	Other Demand  <p>Account for component demand in inventory kits and isolate suspect materials with connected quality management apps</p>

Manufacturing and Supply Plans

Drive production plans, procurement, and resource schedules with a robust suite of manufacturing applications.

STANDARDS	RESOURCE PLANNING		MANUFACTURING ANALYTICS	
BOM and Engineering  <p>Define bill of materials, labor routings and configurations with engineering workflows</p>	MRP and Purchasing  <p>Create production and purchase orders based on demand forecasts</p>	Machine and Tool Schedules  <p>Optimize throughput with finite and infinite work resource schedules</p>	Shop Floor Visibility  <p>Report production in real-time with native apps and connected MES systems</p>	Real-Time Information  <p>Leverage role-based dashboards and flexible inquiries with push alerts</p>



Enterprise resource planning (ERP) systems are essential for MTS manufacturers. Without ERP, business executives struggle to manage forecasts resulting in lost sales, unhappy customers, eroding market share, missed opportunities, and increased costs for labor, materials, and rush orders.

Manage Growth with an ERP System Designed for MTS Manufacturers

A strong inventory and warehouse management (WMS) underpin MTS ERP systems. Not all ERP applications support MTS manufacturing equally. Many systems are designed specifically for MTO manufacturers who produce items and order raw materials when customers place orders. Demand forecasting and inventory replenishment based on historical demand are sure signs that an ERP system supports MTS strategies. Armed with the right business applications, MTS businesses reap countless benefits including revenue growth, optimized inventory, streamlined warehouse operations, real-time insights, and happier customers.

Boost Revenues and Profits

While many MTS manufacturers rely solely on demand forecasts, others use a mix of statistical forecasting with sales forecasts from CRM. Embedded CRM systems streamline sales processes with automated lead assignment, nurture marketing, and win ratio analysis to augment and adjust demand planning criteria. Further, MTS manufacturers use up-sell and cross-sell features to increase sales with item substitutions to alleviate stock-out situations. Accurate demand forecasts help executives to perfect inventory levels resulting in lower carrying costs, fewer write-offs for expired or obsolete products, higher inventory turns, and reductions in labor for competitive pricing.

Exceed Customer Expectations

Business and consumer customers expect simplicity and transparency in business transactions. Implement omnichannel strategies for sales, returns, and exchanges from your direct sales, retail stores, and online commerce platforms. Thrill customers with self-service portals, faster and exact order fulfillment, and automated alerts for shipments, back-order receipts, and return and exchange status updates. Resolve customer issues with native support cases and quality management with non-conformance and corrective and preventative actions.

Make Better Business Decisions

Role-based dashboards, flexible inquiries, actionable reports, and real-time notifications empower executives to manage their business by exception. Evaluate forecast accuracy, respond quickly to unexpected orders, expedite supplier orders, and automate stock-out notifications to buyers. Configure dashboards for buyers, receiving, shipping, warehouse, and sales managers. Armed with information, executives make informed decisions to outmaneuver competitors and boost revenue.

Accurate Manufacturing Plans

Poor demand forecasting, inaccurate inventory, and inefficient processes create barriers to growth. Modern ERP applications like Acumatica provide everything manufacturers need to analyze costs, improve material plans, and perfect production schedules for increased throughput, reduced scrap, and less downtime. Optimize production runs, minimize machine setups for similar products, and increase throughput with time-phased MRP and finite capacity scheduling. Keep your pulse on manufacturing operations with shop floor data collection and connected manufacturing execution systems (MES).

Automate Warehouse Activities

Streamline warehouse operations for inventory receipt and put-away processes. Implement barcodes to automate order picking, packing, and shipping for shortened fulfillment lead times. ERP systems with native WMS capabilities like Acumatica provide advanced features for prioritized picking queues and paperless wave and batch picking for improved data accuracy with fewer returns and exchanges. Digitize transactions with customers and vendors via electronic data interchange (EDI) with connected shipping systems for supply chain transparency.

Empower Employees

Modern ERP applications like Acumatica provide unlimited user licenses making it easy for MTS manufacturers to arm every employee with information. Personalized workspaces, mobile apps, configurable workflows, comprehensive documentation, free training resources, and an intuitive design make it easy for employees to learn how to use the system with faster onboarding.



The Acumatica [Manufacturing ERP Evaluation Checklist](#) provides a high-level overview of major features required by manufacturers. The table below highlights specialized features for MTS manufacturers.

FEATURE	BENEFIT	PRIORITY	Acumatica		
Inventory	Streamline inventory across multiple warehouses with perpetual inventory, replenishment, physical inventory, lot and serial tracking, matrix items, and kitting.		✓		
WMS	Automate warehouse transactions with native WMS including paperless wave and batch picking, prioritized picking queues, packing, and connected shipping apps.		✓		
Forecasts	Manage demand forecasts with sales forecasting and native replenishment or connected statistical forecasting apps.		✓		
MRP	Time-phase material plans for manufactured and purchased items based on forecasts and actual demand.		✓		
Replenishment	Define min and max order quantities, reorder points, seasonality, lead times, safety stock, and forecast models to calculate replenishment.		✓		
Omnichannel	Manage sales, returns, and exchanges online, in-store, or in-house with native commerce connectors and point-of-sale apps.		✓		
Embedded CRM	Gain a 360-degree view of customer relationships and transactions with embedded marketing automation and sales workflows.		✓		
BOM, Routing, and Configurator	Define production standards with multi-level bills of material, labor routings, and a rules-based product configurator.		✓		
Engineering	Streamline engineering with engineering change orders, native PLM connectors, and marketplace apps for CAD integration.		✓		
Production Management	Manage production orders and analyze job costs with production management.		✓		
Finite Scheduling	Increase throughput with finite advanced planning and scheduling of machine, work center, and tooling resources.		✓		
Projects and Service	Account for demand for items used in professional service or construction projects or field service appointments.		✓		
Support and Customer Portals	Thrill customers with native support cases and customer self-service portals.		✓		
Dashboards	Leverage role-based dashboards with real-time insights and actionable drilldowns to source transactions.		✓		
Reports and Inquiries	Access hundreds of standard reports or tailor your own reports and inquiries with low-code and no-code analytical tools.		✓		
Notifications	Setup business events for automated alerts to employees, vendors, or customers based on data inside the ERP application.		✓		
Mobility	Empower employees with mobile access to every ERP function from any mobile device.		✓		
Flexibility	Build your business on a future-proof cloud platform with an intuitive user interface, open APIs, and hundreds of connected marketplace applications for optimum agility.		✓		



“Acumatica is also very good for maintaining replenishment levels. New reorder levels are uploaded automatically, and we are reviewing them more frequently than ever before . . . There’s much less devaluation of stock because we’re adjusting buying profiles in real-time, so we don’t get stuck with items leftover, eliminating waste . . . When a supplier sent notice that they were closing a warehouse for the holidays, Additive-X quickly “examined inventory levels, pulled account history, estimated needs, created a purchase order, and within an hour had the right stock . . . to meet crucial deadlines.”

-Jo Young, Managing Director, Additive-X

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AFF Group Improves Production and Inventory Management with Acumatica Manufacturing Edition

American Foam & Fabric, now AFF|group, is an industry leader in aftermarket textiles for the automotive, marine, retail, and hospitality industries. New management, led by CEO Ben Leinster and CFO Mark Smith, saw tremendous potential in the established business. However, the company’s outdated Sage system was stifling growth. “There was no inventory module, no manufacturing MRP or creation of jobs in the system,” Smith said. “All products were expensed at the time of purchase. Inventory was estimated at year-end, and the company used spreadsheets to try to keep track of high-turnover items.”



“We can double the size of the business without doubling the space and the people because we have power in the information . . . We can work more logically and save millions in labor by not having to double the staff size.”

-Ben Leinster, CEO
AFF|group

As a result, all financials were inaccurate, inventory control was non-existent, and production was a build-to-order system where someone chased down materials to get a product made and then it shipped out the door. After an extensive ERP evaluation process, AFF|group selected and implemented Acumatica. Production Manager Cory Childers said that MRP “has been a game changer . . . We didn’t know what was on order or what to make until we reviewed the order. Now the computer tells us what to make and when to make it.”

“People previously had to wait to get product and wait to load trucks,” Smith says. “Now we don’t have that problem. Everything is made to stock . . . We typically had to wait for production to cut hundreds of pieces of foam to fill our Florida truck on Monday morning, and this week we only had to wait for them to cut two.”

“For us, the power of the Acumatica system is in the WMS and shop floor data collection, the inventory management, and the ability to deliver to a customer and to get things right,” Leinster adds.

“There’s only one way to grow our margins and that’s to be more efficient,” Smith says. “We need to control waste and understand what’s happening in manufacturing.”

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“The quote to cash cycle is the lifeblood of our business, and Acumatica has given us the tools to manage it effectively and efficiently every step of the way . . . We have valuable tools to see what’s coming, to do all our forecasting through dashboards, and focus on key customers.”

-Tim Patton, ICT Director, SAM

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CONCLUSION

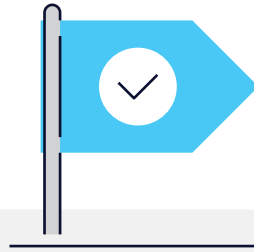
Fend Off Competitors, Delight Customers, and Manage Growth with a Modern ERP Platform

There is little room for error in make-to-stock manufacturing. Customers expect high-quality products with short lead times and an omnichannel experience. Progressive MTS manufacturers rely on future-proof cloud ERP applications like Acumatica to boost sales, automate operations, cut costs, and exceed customer expectations.

Supercharge your business with a modern business platform that is easy to use with comprehensive financial applications and robust analytics for better decisions. Sell more with up-sell, cross-sell, replacement items, online storefronts, and native point-of-sale applications for showroom sales.

Balance supply and demand with simple yet sophisticated tools for inventory management, demand forecasting, replenishment, and material requirements planning. Improve manufacturing operations with flexible engineering, bill of material production, and finite capacity scheduling applications.

Access embedded applications for customer relationship management, customer support, field services, and project management to automate operations across departments from a holistic platform. Discover why Acumatica Manufacturing Edition is the fastest growing and [most user-friendly ERP application](#) by discerning customers and industry analysts.



“Full supply chain visibility will enable us to target the areas where we have issues and tackle them, to ensure we are operating efficiently and driving growth across sales, supply chain, manufacturing and finance . . . I would definitely recommend Acumatica to other businesses. It covers the full ERP functionality, it integrates with other products well, and it’s cost-effective.”

– DEREK SZABO,
MANAGING DIRECTOR
DEVIL’S PEAK BREWING COMPANY

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Acumatica Cloud ERP is a comprehensive business management solution that was born in the cloud and built for more connected, collaborative ways of working. Designed explicitly to enable small and mid-market companies to thrive in today’s digital economy, Acumatica’s flexible solution, customer-friendly business practices, and industry-specific functionality help growing businesses adapt to fast-moving markets and take control of their future.

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