

How to Estimate Steel Fabrication

Every steel manufacturer, steel service center and steel fabricator has that one person in the office that has been there for years and knows operations inside-out and upside-down. This seasoned expert has a gift for estimating and keeping customers happy. However, how do you know whether the knowledge of this talented employee is stacking up against real-time production costs or profit margins? Are estimates as competitive and profitable as they should be?

Crafting accurate, reliable and profitable estimates isn't best left to pencil and paper. In this highly competitive and fast-paced marketplace, technology offers a far superior solution for estimating steel fabrication.

What's the Problem with Manual Calculations?

Having seasoned experts in the office is definitely a benefit for steel manufacturers and other businesses in the steel and metals industry. However, relying on those skilled employees for all estimating processes may not be in your best interest. There are several problems with manual calculations, namely, they are time-consuming, inaccurate and prone to mistakes as quickly as the pencil meets the paper. Even well-planned templates or spreadsheets could lead your seasoned experts astray, which could easily impact your profit margins.

You might also find that after asking multiple employees to estimate a project, you get multiple outcomes. It's not that labor, materials, and production processes are unknown. The problem is that these costs vary so greatly, they can't be considered 'standard' for every quote that passes across your desk. On top of that, there are other variables to consider, such as shortened lead-times that require overtime pay, production processes that create remnants or scrap, and delivery specifications that increase the cost for shipping activities.



Get Accurate Fabrication Estimates with Technology

Your seasoned employees know how to estimate steel fabrication. Now, give them the right tool for the job. Replace calculators and spreadsheets with a more comprehensive, reliable ERP solution. With quoting features built in, you can deliver time-saving automation with reliable, real-time data and insights. Advanced features provide your team with:

- ▶▶ **Accuracy:** Cost calculators provide reliable estimates that cover the four components of costing: material cost, direct and indirect labor costs, overhead, and outside processing time and costs.
- ▶▶ **Automation:** Streamline complicated calculations, including multiple manufacturing processes and requirements, material variables and changes, as well as resulting scraps or remnants.
- ▶▶ **Customization:** Establish customer-specific defaults for attributes that can be carried through estimate-by-estimate for a particular customer or set of customers. Define defaults for every attribute to the item and variant level and save valuable time during the estimating process.

When you can capture and centralize data from across your organization—from financials to inventory to manufacturing processes—your team can access and analyze real-time, true costs for labor, materials and manufacturing processes. Current data improves the accuracy of estimates and automated workflows expedite the process.

Time to Replace Manual Estimating Processes?

In today's competitive marketplace, you need to be ready to respond quickly and accurately to a customer. Give your seasoned estimators the tools that will streamline and strengthen the estimating process, satisfying both your customers and profit margins. Let us know if we can help you explore your options and add consistency and accuracy to the estimating process.

RealSTEEL, built on Microsoft Dynamics NAV ERP, delivers true business insight—empowering leaders to fine-tune the business, identify emerging opportunities and build profits.

And, RealSTEEL gives you unprecedented control of your business. User-definable, multi-attribute levels of data management delivered through an intuitive user interface streamlines sales, purchasing, stocking, producing and planning.

To learn more about how RealSTEEL can help you build profits, please contact:

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