

# STEEL MANUFACTURER – ERP CASE STUDY

## Key Takeaways:

- A \$50 million steel manufacturer engaged RubinBrown to conduct an enterprise resource planning (ERP) Assessment for their company.
- Their existing processes had never been improved, so they needed more than just new software to increase efficiency and profitability.
- The client selected a new ERP system that took the place of paper ledgers and numerous file cabinet backups, which were cumbersome to manage.
- After the successful ERP implementation, the new ERP system delivered an accurate and real time cost base on which sound commercial decisions could be made to remain competitive but maximize profitability.

## Client:

A \$50 million road safety and steel manufacturer selected RubinBrown to conduct and support a business optimization and transformation initiative to help the business adapt as their volume grows rapidly. They had recently experienced rapid growth and had outgrown their current processes and were using an outdated Sage ERP software.

## Challenge:

RubinBrown worked to understand their current business including why they had recently experienced growth in the steel industry.

This company's revenue growth created three major concerns that RubinBrown worked to address through this process:

- They had reached the capacity of their current galvanizing supplier with the current method of production and needed to improve their sales and operating planning (S&OP) and production planning to leverage every available hour at this key vendor.
- They had grown with their existing, but aging, workforce in place and simply expanded as needed with no rationalization or improvements to the way they operated.
- They had cobbled together a series of processes and systems centering around paper logs, Microsoft office products, and outdated Sage ERP software.

Working in the realm of Departments of Transportation (DOTs) in many states presented the problem of needing to keep complete control on material certifications and conformance from raw material at the foundry to end product delivery to the customer. This challenge necessitated a rigorous quality assurance program spanning every stage of the manufacturing process.

The staff at the company implemented Sage 50 two decades ago, and it did not have the capability and scalability to manage the complexities of the current business. The company did attempt to implement a new ERP system on their own, but the implementation was abandoned since they did not have an in-house ERP software system expert dedicated to keep the project on track.

## Actions:

RubinBrown reviewed and mapped the company's current state of operations targeting order to cash and plan to produce in addition to capturing the future improvements to be enabled and facilitated with the new ERP system.

Identified areas of opportunity for business improvements, both technology and non-technology related:

- S&OP- managing the seasonality of road building and maintenance in their region
- Purchasing and production automation
- Increased product lifecycle management (PLM) functionality
- Increased customer relationship management (CRM) functionality
- Facilities and machine tool maintenance and uptime
- Identified the critical functional requirements of the ERP solution for evaluation
- Identified a list of qualified candidates among the ERP solution providers
- Facilitated demonstrations of the short-listed candidates
- Assisted firm in making their vendor of choice selection

## Solution:

The client, facilitated by RubinBrown, evaluated their Tier 3 ERP vendor solutions. Using the disciplined evaluation process and scoring system provided by RubinBrown, the client was able to pick the software partner and implementation partners right for them. RubinBrown with its industry knowledge of software pricing structures, was also able to ensure the best deal for the client.

## Results:

The implementation of their vendor of choice is completed, and they have gone live. They no longer rely on tribal knowledge to run their business thus freeing themselves to be over reliant on key individuals. They have dramatically improved the work life balance of their employees and spend time using data to benefit the business and evaluate current and future opportunities.