

CASE STUDY



Major Streamlining overhaul for Charter Steel creates Faster Routines

A major review of the iRenaissance ERP System at Charter Steel has allowed for major streamlining to take place for higher efficiency and automation from the system and availability of data.

THE CUSTOMER

Privately owned Charter Steel is a leading American supplier of carbon and alloy steel bar, rod and wire products. It is a subsidiary of Charter Manufacturing based in Mequon, Wisconsin, USA.

The company has manufacturing and distribution facilities in Wisconsin and Ohio. Capabilities include steel melting, bar and rod rolling, coil processing and wire drawing. A sister division, Charter Speciality Steel, produces stainless steel rod.



BUSINESS CHALLENGES

- Charter Steel has experienced a period of sustained growth exceeding 20% per year for the last five years. Growth is expected in the next three years at greater than 10% per annum. The current planning processes have struggled to keep up with the increased volume of orders and would not be able to support the company moving forward.
- A new manufacturing facility, while bringing on additional melting capacity, further increased the complexity of the planning equation.
- Also large number of manual processes and independent databases implemented over time were also beginning to impact the organisation, reducing the ability of the organisation to function properly and meet customer demands.
- Charter Steel operates a heavily customised RenCS ERP system and it was generally believed that the solution to Charter Steel's supply chain issues was the replacement of the current ERP system with another system such as Oracle.

XELOCITY SOLUTION

- Implementation of an Advanced Planning System integrated into the current RenCS ERP system to enable better utilisation of assets and raw materials, and allow optimisation of plant capacity and costs. Generation and implementation of a mrpII report and processes within Purchasing to reduce COGS.
- Implementation of a workflow tool to manage the credit/return process between Charter Steel and its customers.
- Redesign of processes and procedures within Logistics and Shipping to reduce workload and shipping delays

ROI / BENEFITS

As stated, the savings were:

- More efficient data entry;
- Reduced computer processing time;
- More efficient use of staff time, improved productivity;
- Availability of data in a timely manner.



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PROJECT SUMMARY

Charter Steel had been running their iRenaissance ERP system for a number of years. Since implementation, the heavily customised software had been supported, but no review of functionality had occurred. Charter had found some functionality was cumbersome to run and time consuming for personnel to use.

The requirement was to identify opportunities to streamline and speed up processes, across all departments, in order for them to run in a more timely and efficient manner.

Xelocity consultants were asked to sit alongside key users from every department and review iRenaissance functionality to identify areas where processes could be streamlined and sped up.

The scope for this review was:

- Minimising user input by providing default values where appropriate and removing the need for duplicate entry of data, input of irrelevant data.
- Mass update routines to save time updating multiple individual data items.
- Speed up processing times to save time and prevent user frustrations.

Opportunities were identified within all areas from accounts, sales, planning, shipping and manufacturing. In all cases programming changes were made after consultation with the key users. These changes were implemented and savings were quantified. One notable example was the Roll Planning Forecasting process which had been written by an outside contractor. It was started each Friday evening. One of the planners had to check on progress after thirteen hours and select an update option in order to continue the processing, which took a further nine hours to complete.

KEY AREAS

The areas to be reviewed were:

- The amount of computer time involved (22hrs in total)
- The need for user involvement every weekend
- Forecasts are entered into the system each Thursday. However forecasting data was not available until the following Monday, a delay of 4 days

After reviewing this process, the following improvements were delivered:

- Running time was reduced from 22 hours to under 4hrs (a reduction of 82%).
- It could now be run on a Thursday evening instead of over the weekend enabling data to be available 3 days earlier than before.
- All user input was requested up front so once the routine started, no user intervention was required.

IMPROVEMENTS

The streamlining project was ongoing for 18months from May 2005. Improvements were implemented as they were completed for each department.

Involved in this project were Michael Diver, Sharon Ducker and Chris Beatson from Xelocity along with the various department managers from Charter Steel including Mark Terrian (Sales), Dave Ferraino (Shipping), Jim Quick and Randy Large (Planning).

The key lesson from this project was that after computer systems have settled down and users have become familiar with functionality a streamlining exercise such as this can make substantial savings in both time and money.

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