



BeaconSteel

EAST COAST STEEL; A CASE STUDY OF USING BEACON STEEL

ABOUT EAST COAST STEEL

We are steel sheet and coil processors and merchandisers. We supply and cut material for upstream manufacturers to make steel components, and products. We often need to control customer owned material.

We make many different size products from one piece of raw material. Any scrap we produce comes directly out of our profit.

Each product made has to be clearly labelled with electronically readable labels so that our business can comply with industry standards.

We have a liability to supply to a specification which can be traced back to the melt of raw material our product was cut from.

We need to safely issue a certificate of product quality backed up by the smelting mill's quality control of the material they supply us.

Traceability needs to be demonstrable as it is a mandatory requirement for our customers who are typically component manufacturers supplying producers of home appliances, trucks, aircraft, cars, and buses etc.

We must deliver material at the time we promise and at the price we quoted. Our Customer's satisfaction is paramount to ensure their loyalty to us.



WHAT WE WERE LOOKING FOR IN A NEW COMPUTER SYSTEM

New manufacturing methods are changing the way metal sheet and coil suppliers operate. It has led to an intermediate tier of specialist manufacturers, like us, who have the expensive equipment to handle the extremely heavy and delicate material the smelting mills make.

We, and companies like us, supply upstream manufacturers with the smaller lighter coils and sheet bundles they need, and can handle, with the lighter less expensive equipment they own.

Many independent processors, like us, are springing up who can paint, slit or shear their customer's material. We need to deal with Customer Owned Material, make sure its provenance is traceable and ensure it is delivered properly processed, to its owner.

We needed a complete solution – from purchasing, often in different currency, through stock control, process control, to sales (again often in a different currency) debt collection, bill paying asset management and financial reporting.

The system we needed had to be fully documented, so we could learn about it easily. It had to provide a simple low cost implementation framework so we could do our own work as well as get the new system going.

We needed functions that were not available in generalized software systems to deal with the processing

or breaking down of coils into smaller ones and into sheet. Each coil and sheet has to be traced back to the manufacturing mill's melt number and test certificate.

The system had to be easy to use and largely self explanatory so our staff could use it without huge amounts of specialised training and education because we could not afford them to be away from their desks for extended periods.

We are a steel processor and did not want computer specialists on our staff so it had to be simple enough for a clerical level person to administer and look after.

We needed to improve our delivery performance so that if we told a customer we would deliver on a particular day we would meet that promise.

WHY WE CHOSE BEACONSTEEL

BeaconSteel is designed specifically for the mid-market metal processor so it could provide us with the functionality we needed for our coil and sheet processing. In addition it has all of the other functionality we were looking for in purchasing, stock control, sales order processing, invoicing, etc.

Being standards-based meant we could find our way round it from day one. Our users have a simple to use experience while the system has optimised our workflow and effectiveness. Our users love it



The advanced search and find system locates the correct information quickly so we don't keep customers dangling on the phone while we find stuff out, like have we got something we could cut efficiently to meet this requirement.

Having a server-based database ensures everyone works with the same "entered once" information, with really outstanding access speeds.

No specialised or proprietary computer hardware, was required, just Windows.

Bar coded, printed labels give us great stock control, product security, and a marketing edge that allowed us to get business from sophisticated customers.

The simple to use, powerful security settings in BeaconSteel means we can allow our customers to place orders, interrogate their stock, etc., on line. A service that is being more frequently used as our customers become more dependent on accurate data that is easily accessed

The powerful document customiser means our delivered paper work is not only accurate but looks good as well. We don't have to use third party form printing software to make our forms look the way we want them, its all part of BeaconSteel.

The cost of most solutions we investigated put them beyond our financial reach. We would have had to buy a generalised integrated system then had modifications added to it to provide the functionality we needed for coil and sheet stocking and processing.

BeaconSteel's Dynamic Material Scheduler showed us how we could deliver an order to a customer on the day we had said we would.

Most vendors we spoke to had very little idea of sheet and coil

processing, stocking and selling. Walstan were able to show us how their BeaconSteel system operated so that we understood how we could use it in our business.

WHAT WE HAVE GOT FROM BEACONSTEEL

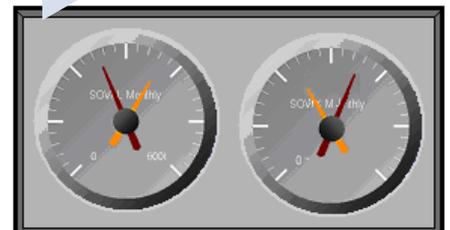
We implemented BeaconSteel to integrate our day to day processes with management level performance reporting so that we could measure the improvement in the way we operated the business. We believed the business could operate more easily and efficiently. This has proven to be the case and with BeaconSteel we can measure fairly accurately the effect our changes have.

SOME OF OUR ACHIEVEMENTS HAVE BEEN

- The capability to search for stock within size and thickness ranges so we know what could be cut to fulfil a customer's order
- Our business depends more on quotations than a price book, with Beacon we could see the margin in the quote while we negotiated the sale
- The orders can be documented and scheduled so that our shop staff know what to cut and when it is to be packed and our drivers know what to deliver
- We get useful management reports that help manage the business at the press of a button
- Just-in-time delivery cycles that reduced our customer's stock as well as our own can be used, simply
- A formal approach to improve customer relationships can be managed

- Our production planning has improved because our sales forecasts are better
- Following up customer quotes improves our price control. We convert more quotes into sales orders
- Improved stock purchasing with better pricing, formal receipting and location control improves our internal efficiency and reduces our real costs
- Better production control, and costing gives us visibility and has improved performance
- Delivery scheduling, and despatch control has reduced costs and eliminated stock loss through legitimate mistakes

At a glance key performance indicators which are up to the minute allow our management to ensure the company is operating properly without "seeing it for themselves" even when they are on the road.



Two key performance indicators, of the 50 or so to chose from, which show slitting performance lagging behind that expected, while sales orders taken so far for the day slightly better than expected at this time

- We now provide a highly personalized flexible service to all our customers. We almost always meet our delivery promises and have optimised our stock, plant, and our workforce
- Our administration work is completed every day, and our clerical staff, are no longer under pressure

- We produce our final monthly accounts 2 days after close off. This means our strategic decisions are backed by absolute facts
- We have mobile access with excellent security. We can be on-line in the customers office, and our customers can be online to their information
- We have no specialised computer staff and need only clerical level systems administration
- Being fully integrated from purchasing to sales to trial balance and financial reporting, (excluding payroll) means we enter operational data and the financial results drop out at month end. It makes life much simpler
- Maintaining low product margins while improving the financial return to our owners has been a key advantage of adopting BeaconSteel
- More reliable delivery promises has improved our customer relations and service
- Better informed and therefore faster price negotiations improved business
- We now meet the delivery specifications of high volume users by having attractive, electronically readable labels. This has expanded our opportunities
- Our company looks more professional than our bigger competitors because we have better looking shipping documents and more accurate invoices
- We could deploy a fully mechanised business system very simply because of BeaconSteel's pre-interfaced bar code readers and printers.
- Attractive product labelling and fast stock taking are especially valuable

- We have no more lost packs Electronic dispatch has sorted our deliveries
- We have no customised software to specify, pay for, worry about or maintain
- We can adopt new technologies as they come along. The system stays up to date. Software maintenance releases are easy to apply
- We have a useful competitive advantage because BeaconSteel has reduced our cost of software ownership and the consequent investment risk
- Added sales came faster because the standard out-of-the-box software fits our business perfectly



The last orders being tied down.

OUR RESULTS SO FAR

We are extremely pleased with BeaconSteel and very impressed with the way it has helped us to improve our company's performance. It is an easy-to-use, low-cost, feature-rich solution based on modern technology

We doubled our volumes and only had to add an extra sales person in our first year of operating BeaconSteel even though the market was declining

Our clerical work is up to date and our staff less stressed getting the work done

Our owners have confidently taken a more "hands-off" approach to running the business

It would be hard for us to operate at this level without BeaconSteel, in fact we don't know how we would do it



Paul Bagshaw General Manager, East Coast Steel