

ERP software points, clicks and slices costs for processors

PITTSBURGH — Consolidation-based rationalization is not the only way to skin the cost-cutting cat in the service center industry, which continues to report difficult conditions.

By Tom Balcerak

Two providers of enterprise resource planning (ERP) software have targeted the industry with systems customized to fit the requirements of service center operations.

Toronto-based Steelman Software Solutions Inc. and Axis Computer Systems Inc., Marlborough, Mass., a provider of Axiom software, have several service center clients and are angling to get more in an industry that has lots of potential for growth.

Gibraltar Steel Corp., Buffalo, N.Y., recently selected the Axiom Enterprise Resource Management System as the foundation for the company's new-generation information systems at four

rolling mills in Gibraltar's processed steel products segment, according to Axis.

Gibraltar will implement Axiom/mx open sales, production, quality and finance applications, as well as the Axiom "e/suite" Web-based customer service application at flat-rolled operations in Cuyahoga Heights, Ohio, and Cheektowaga and Kenmore, N.Y., and at Gibraltar's Buffalo, N.Y., strip mill.

"The new systems will replace largely mainframe-based, in-house developed legacy systems and will be run using IBM AIX servers," Axis said, adding that, as part of the implementation, Axiom will be integrated with Level 2 process control systems at each mill.

"Typically, they (service centers) are not pushed into this by their customers, but that's changing," said Daniel Brody, head of business development for Steelman. "Everybody's

becoming more comfortable with the technology."

Brody said he was struck by the large number of inside sales people (in relation to outside sales) in the service center industry, nearly a 1-to-1 ratio in some instances. Other businesses have a ratio of outside to inside sales people more like 5 to 1, and in some cases as high as 10 to 1. Therein lies a significant cost-cutting and streamlining opportunity, according to Brody.

Steeleman, which migrated from providing software for mills to focusing on service centers, leverages e-mail and Internet functions to provide information to outside sales people or regional distributors without the need for a large inside sales staff—hence the cost savings.

Things like sales history reports are made readily available via the computer and outside sales people can, in turn, enter quotes and orders as well as check order status without the help of another person at the company. The systems also benefit customers by allowing them to look at their order histories and schedule their monthly releases online. "You're able to create a collaborative environment," Brody explained.

The systems, designed to handle the myriad grades, gauges, widths and chemistries of steel and metal products, also help service centers and processors run their own businesses. They can provide better visibility of inventory, especially for multiple-site operations, facilitate better load



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planning for more efficient staffing and equipment operation, according to the software providers. In addition, the systems deliver "business intelligence," allowing service centers to more quickly identify trends and anticipate the needs of their customers.

Steeleman and Axis said their software products benefit from using the latest Internet-based technologies that serve as alternatives to full-blown, and often more expensive, centralized ERP systems typically used by large companies (AMM, April 14).

Axiom software provides many capabilities specifically customized to metal service centers, including silt-order processing, coil tracking, attribute definition (width, gauge, grade, etc.), material application/reapplication by attribute, palletization, quality tracking and control, truck scheduling, inventory management by attribute and customer-supplied material tracking.

Like Steelman, Axis touts its

enhancement process serves to provide Axiom users with the tools and solutions they need to remain leaders in their respective markets on an ongoing basis.

By encouraging collaboration and utilizing Oracle, Java and an international software language, Brody said Steelman is similarly adaptive. "It allows for easy migration going forward," he said. ■

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