



# The Hidden Costs That Steal Coil Slitters' Profits

For Coil Slitters, accurately tracking inventory and costs isn't an inside job. Customer-owned material and inventory outsourced to specialty processors add a unique level of complexity to order costing and management. Maintaining accurate costs across orders, products, projects and business lines requires systems and data that are connected and continuous.

Most Coil Slitters today are working with outdated business management systems that have been loosely cobbled together over the years. That disconnected data makes it difficult to quickly provide quotes and delivery dates—and even harder to accurately measure costs and margins.

To improve the responsiveness, profitability and long-term potential of the business, you need to continually monitor performance and identify operational efficiencies. Your managers need information from the production floor and across the entire order journey to be able to answer the questions that will drive customer satisfaction and profitability.

## **Where can we improve the production and inventory efficiency?**

In a business that requires flexibility to manage multiple product lines, outsourcing and toll processing, your managers need business systems that automate cost allocation and production scheduling. With a centralized system that collects data along the way, you can:

- Track orders at every step in the process, both internally and externally.
- Optimize scheduling to improve productivity, reducing non-billable time.
- Allocate coils at order entry or production planning.
- Support complex operations, including multi-company, multi-currency, multi-lingual, multi-warehouse.

## **Are we accurately tracking all the costs attributable to each job?**

When you are working with disconnected systems, you can't track subcontracted services and complex surcharges. With centralized data, you can track costs



accurately for each job to understand your profitability by project, by customer, by profit center and more to:

- Record toll processing of customer-owned materials.
- View and maintain costs for labor, freight, outside services and surcharges at the coil level.
- Provide a shop floor MES (manufacturing execution system) to record actual production, scrap, sheers, break weights—and determine additional cuts and material required due to scrap.

### **Should we be in this line of business?**

The most important question of all is whether a line of business is actually profitable. The sooner you can recognize that some orders should not be taken, the better for the business. Without data flowing across the business, you can't:

- Track margins—including costs of outside processing—on a line-by-line basis for every order.
- Identify products with pricing that has not increased to match rising material or processing costs.
- Identify production lines or outside processors that are consistently missing projections.

### **Better visibility into your operations will improve profits**

Your business has enough challenges—lack of information doesn't need to be one of them. There is a solution that meets the unique challenges of the Coil Slitting business that can deliver insight.

RealSTEEL is the affordable ERP system that manages the specialized requirements of the Coil Slitting industry, building on the business intelligence and operations excellence of Microsoft Dynamics NAV. Providing user-definable, multi-attribute levels of management for purchasing, producing, stocking, planning, inventory and selling, RealSTEEL gives you unprecedented insight into the costs of your business.

Take control of the information across the production process to improve customer responsiveness and the profitability of your Coil Slitting operations. Get visibility into the cost of each job to make better decisions to drive the business forward.

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

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**RealSTEEL™**

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