



6 Trends Changing the Game for Steel Service Centers and Metal Manufacturers

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Over the past decade, technology has fundamentally changed the course of business. For most steel service centers and metal manufacturers, the best strategy has been to take a wait-and-see approach.

While that measured approach has helped many companies avoid expensive missteps, without modern business management systems, it's difficult to compete in the digital, connected world.

In this eBook, we'll explain six key trends that are affecting your business, and how you can respond. These trends impact the steel and metals industry in unique ways, so you need to ask the right questions to find the best business management solution to take you into the future.

We'll arm you with background on the key issues to keep in mind as you evaluate solutions.

1. Data mastery delivers organization-wide visibility



2. The internet opens markets, drives pricing



3. Profits are fueled through operational efficiency



4. Specialization creates added value



5. Customer expectations continue to soar



6. The increasing complexity of compliance



1. Data mastery delivers organization-wide visibility

Of all the trends affecting business today, the exponential growth of data tops the list. Every business collects a huge amount of data—from customer transactions to inventory changes to machine production—every day. But making sense of that information and putting it to work to benefit the business is still a challenge for most businesses.

Unique data requirements

The complexity of costing in the steel and metals industry is unique, making mastery of data even more challenging for your business. But when your systems can track all the variations in gauge, coating, tensile strength and more, you can tighten control of inventory to meet short lead times and maximize remainders. Through algorithms and rules, your business system can instantly optimize inventory from purchasing through production.

Take control of corporate data

You need a business management system that delivers precise information to ensure profitability. To-the-decimal tracking and costing, designed for metals, allows you to quote jobs appropriately and ensure complete, accurate inventory. Connected information and automated calculations will provide:

- Yield calculations made at purchase time and updated throughout the manufacturing process to reflect variance
- Support for complex cost calculations based on the high variation of material attributes
- Links to multiple line items for accurate, real-time price and yield calculations



Data mastery supports tracking and calculations of the complex inventory attributes—gauge, coating, tensile strength and more—used in the steel and metals industry.

2. The internet opens markets, drives pricing

Slowly but surely, the internet is disrupting every aspect of business. The good news is that customers can find you. The bad news is that they can just as easily find your competitor to compare quotes and turnaround times.

Sales teams need information to be agile

eCommerce will impact your business in a number of ways. Specialization, which is addressed later in this eBook, is one way companies can take advantage of the search and expanded geographic markets the internet enables. The critical factor, operationally, is that you need to have integrated business information to support the fast pace of internet sales. Sales teams need to be able to quote quickly and accurately, based on real-time availability of materials.

Make sure you are maintaining profit

When you are moving at the speed of the internet, you need systems that will ensure that you can deliver what you promise, profitably. Recognizing orders, and even business lines, that you should pass or exit altogether requires connected systems to look at data in the whole. To compete in the digital world, you need a business management system that will:

- Consolidate order and inventory data, from receiving through production to the warehouse
- Deliver cost and availability of inventory to sales reps—no matter where they are working
- Prove accurate feedback on the results of new channels, new service offerings or expanded operations



Even in the fast-paced steel service business, the internet accelerates decisions, so you need to have the data in the right place when you need it.

3. Profits are fueled through operational efficiency

When your business systems can't keep up with today's demands, employees find ways to work around the system to get their job done. Spreadsheets become standard operating procedure which decentralizes data, increases the opportunity for errors and requires duplicate entry into the accounting system.

Automation simplifies calculations

A single order for a Steel Service Center or Metal Fabricator can require a wide variety and combination of processes—both internal and outsourced. Your business management software should automatically calculate the materials and processes that will fulfill that order, optimizing inventory and production schedules.

Optimize inventory and production

A modern business management system simplifies and automates processes to accelerate operations of the organization. Workflow automation eliminates unnecessary or repetitive business processes that keep your employees from doing more important work by supporting:

- Purchase order processing with approvals, backorder alerts and special order handling
- Barcoding systems that optimize inventory process flow from end to end
- A shop floor MES (manufacturing execution system) to standardize processes and eliminate workarounds



An effective optimization engine will minimize scrap, maximize material utilization and accelerate order entry time and schedule for maximum production efficiency.

4. Specialization creates added value

In every industry, specialization is a trend that helps companies differentiate their services—steel and metals are no different. In the digital world, competing on price alone is a losing proposition. By serving a specific industry or niche market through pre-made product configurations or specialized services, customers are willing to pay more.

The challenges of complex costing

In the steel industry, adjusting your product line and adding services to support specialization requires accurate costing to ensure profitability. Your business management software should be able to track costs accurately—addressing the unique material and scheduling calculation challenges of the metals industry—from end-to-end, including support for outside processing.

Precisely measure profitability

As your business moves from a commodity to a value-add product mix, you will need to track a wider range of costs with more accuracy. To precisely measure product and service profitability, your software needs to:

- Combine costs across production, including labor and equipment
- Optimize scheduling to improve machine productivity and reduce non-billable time
- Track margins—including costs of outside processing—on a line-by-line basis for every order
- Reflect variations in material or processing costs in pricing calculations



Businesses today need to specialize to differentiate their products and services. Competing on price alone is a losing proposition.

5. Customer expectations continue to soar

Amazon has transformed the buying experience—not just for consumers, but for buyers in every industry. Customers expect their suppliers to use modern systems, tracking orders across the organization and making that information available to buyers.

Fast, accurate answers

Expectations are no different in the steel and metals industry. Your sales people need to be able to provide accurate quotes with the assurance that delivery dates can be met. Customers don't want to repeat their special requirements, like packaging, loading and tolerances, every time they place an order. And, they expect fast answers when they call to check on an order.

Deliver on the promises

To build confidence with your customers, you can't get by with disparate systems cobbled together. You need to connect the data across the organization with systems that can meet the specific requirements of your customers, like:

- Tracking requirements and acceptable tolerances including standard item configurations, allowable skid weights and customer-preferred item numbers
- Linking customer blueprint information to quote and order lines and display on all customer facing documents
- Managing multiple outside processing operations with direct shipment to the end customer—retaining full visibility through each step



In the age of automated supply chain management, purchasers expect to have full visibility into their order from placement to delivery.

6. The increasing complexity of compliance

Compliance with regulations—from ensuring the safety of your workforce, to environmental protections to traceability—are a time-consuming, but essential part of business today. For those companies managing compliance record-keeping and reporting through spreadsheets and paper systems, the risks to the business are significant.

The high cost of compliance

Safety is a top priority for steel service centers and metals manufacturers, with compliance an integral part of production and operations. The amount of time devoted to compliance can drag down profits. With modern systems connecting data from across the organization, you can systematize processes that protect employees, the community and end users.

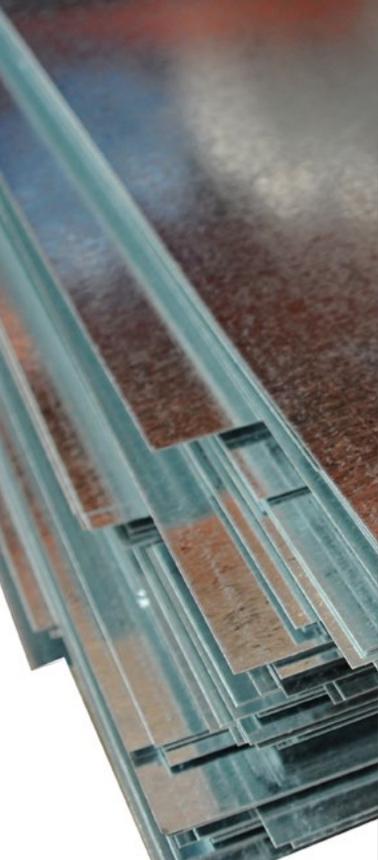
Automation reduces the burden

With a modern business system, designed for the metals industry, you can automate documentation to meet all compliance and regulatory requirements. Using workflows, maintenance guidelines and other activities, you can guide employees to follow the safest practices. Simplify compliance with:

- Parent/child lineage traceability to support compliance with regulations
- Automated environmental health and safety management
- Connected data that supports reporting to meet requirements for a variety of regulatory agencies



Centralized data from across the organization is the foundation for simplified regulatory compliance. Produce reports, document procedures and track materials faster with greater accuracy.



Thrive in the Digital Age with RealSTEEL Software

From planning, scheduling, purchasing and inventory management through production, quality control, sales and finance, RealSTEEL delivers functionality and benefits far beyond those in current ERP systems. Providing user-definable, multi-attribute levels of management, RealSTEEL will help your steel service center and metal manufacturing streamline selling, purchasing, producing, stocking, planning and fulfillment.

RealSTEEL delivers unprecedented control

RealSTEEL is the affordable ERP system that manages the specialized requirements of the metals industry, building on the business intelligence and operations excellence of Microsoft Dynamics NAV. Fully integrated and easy-to-use, RealSTEEL shines with:

- **Accurate costing, to the decimal**, at the moment you need it
- **A powerful shipping dispatch board** your team will live by
- Inventory tracking and **costing using multiple attributes**
- **A support team who understands your industry's processes** and cares about your business

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

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