

The RealSTEEL logo is displayed in white, bold, sans-serif font against a dark blue background. The word 'Real' is in a smaller font size than 'STEEL', and a trademark symbol (TM) is positioned to the upper right of 'STEEL'.

RealSTEEL™

The background of the entire page is a photograph of a steel mill. In the foreground, several large rolls of steel coil are stacked on green metal stands. The coils are shiny and reflect the overhead lights. In the background, the industrial structure of the mill is visible, featuring green-painted steel beams and yellow safety railings. The overall scene is brightly lit, emphasizing the metallic textures and industrial environment.

How Coil Slitters Compete and Thrive in the Digital Age

RealSTEEL's Power Tools for the New Rules Series

How Coil Slitters Compete and Thrive in the Digital Age

The internet has changed our world. Even business customers expect instant quotes, fast processing turnaround and high quality—all at the lowest price. To deliver on those expectations, coil processors have to join the digital age and connect their data across the organization. Centralized ERP systems optimize operations across the business—from sales and purchasing to inventory control, production scheduling and deliveries.

Connecting data and workflow across the company completely changes the rules of the game for your organization. The processes and software you currently use weren't designed for the precision needed today to control costs and maintain profits. Just as you select the best machine for each job, your ERP system should be the right tool—specifically designed to meet your exact business requirements.

In this eBook, we'll explain how the right ERP can give you more control as orders move through the production process. Match materials to production to fine tune purchasing. Empower floor managers to schedule efficiently. Ensure customer satisfaction with consistent, on-time production. Read on to find out how you can play by the new rules for coil slitters and compete in the digital age.

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1

Empower your sales team with matrix-based pricing

The complexity of coils' dimensional, chemical and physical attributes, combined with a range of processing options, makes quoting through spreadsheets slow and error-prone. With matrix-based pricing, designed specifically for the metals industry, salespeople can quickly, accurately quote even the most complex jobs.

Close sales faster with real-time quotes

The right ERP software can support attribute selection as well as automatically check on inventory and production schedules, allowing your sales team to negotiate in real time. To make quoting and order entry fast and error-free, ERP centralizes data to support matrix-based pricing that will:

- Automatically link customer specifications, both general and material-specific, to each line.
- Calculate nesting, costing and pricing at the line item level.
- Auto-calculate accurate production time and costs for processing, both internal and outsourced.
- Provide margin data at both the line item and order level to ensure profitable sales.



Sales team excels with a single source of information

A coil processor was experiencing high turnover in the sales department. As competitive pressures increased, individual sales people were having more trouble achieving their quotas. Customers expected instant quotes, but pricing spreadsheets made the process of quoting difficult and slow.

To give sales people the information they need, the coil slitter implemented an ERP system that combines data across the organization—inventory, production, labor, outside processing and more. With fast, accurate quotes, the sales team can close more deals on the first call.

2

Accurately track costs to ensure profitability

Maintaining accurate costs across orders, products, projects and business lines requires systems and data that are connected and continuous. The profitability of coil slitters is dependent on accurate costing to price products correctly.

Centralized data tracks costs end-to-end

With centralized data, you can track costs accurately for each job to understand your profitability by project, by customer and by profit center—including customer-owned material and inventory outsourced to specialty processors. To achieve accurate costing, you need software designed to manage specific industry challenges, including:

- 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 (gauge, coating, tensile strength, etc.).
- Toll processing of customer-owned materials.
- Costs for labor, freight, outside services and surcharges at the coil level.
- Actual, theoretical, average and replacement costs.

Multi-location coil processor controls costs

A coil slitter with multiple production facilities had no centralized view into inventory and scheduling across locations. While most locations were profitable, overstocked inventory and machine downtime was shrinking margins.

By implementing a centralized ERP, plant managers were given insight into inventory and schedules across locations. The company was able to slash inventory and shipping costs across locations. With visibility into schedules, production managers could offer excess capacity or cover when a machine was down.



3 Centralize downstream process and materials planning

When purchase agents and production managers don't have clear visibility into inventory, orders and production schedules they make best guesses and pad schedules for unknowns. Excess inventory and unused machine capacity eat away at profits.

Optimize inventory and production

With timely, accurate data shared across functions, your organization can place materials orders with precision and optimize production scheduling. With an ERP system that automates job routing, you can optimize the complex matrix of materials and resources required to consistently produce orders within cost and on time. With connected data and processes from sales through shipment, you can:

- Allocate coils at order entry for production planning.
- Route jobs through the production process automatically, optimizing use of resources and allocating appropriate materials at each step.
- Manage outsourced processes, including materials, semi-finished products and finished goods.



Coil slitter fine tunes purchasing with ERP

Inventory overstocks were tying up capital and dragging down the profits of a coil slitter. By implementing an ERP system that automatically allocated materials and production orders when an order was placed, they were able to refine purchasing.

With accurate scheduling, they have increased purchasing frequency to reduce stock holding time. Purchasing agents can combine purchases across multiple facilities to take advantage of volume discounts.

4 Optimize workload scheduling at machine and work center level

To reduce idle machine time that cuts into profits, coil slitters need systems that automate scheduling and production workflow. Through shop floor MES (manufacturing execution systems), coil slitters can take more control of machine capacity, reducing waste and costs.

Connect production data end-to-end

To handle more complex scheduling requirements, an MES system collects data from all aspects of production, providing tight control over every aspect of the shop floor. To optimize workforce and machine productivity, the software should:

- Optimize inventory, machine usage and operator schedules through dynamic production schedules.
- Allow operators to update actuals of each job—including material usage, quality issues and remnants—at their work center.
- Calculate materials usage for each job, identifying shortages and drops available for other jobs.
- Make real-time scheduling adjustments in response to unexpected delays—from change orders to machine downtime.

Improved scheduling means new business for coil processor

A coil slitter was managing machine production schedules through spreadsheets and chalk boards on the shop floor. When the company won a large contract requiring multiple finishing steps, the scheduling became too complex for spreadsheets.

By implementing an ERP system with automated production scheduling, the coil slitter was able to increase throughput to meet the contract deadlines. With the new machine efficiency, the company can now seek and fulfill larger, more complex contracts.



5 Deliver decision-driving data across the organization

Outdated, disconnected management systems that can't provide timely reporting puts coil slitters behind the competition. Managers who don't have current or complete information have to rely on their gut to make decisions on purchasing inventory and building the production schedule.

More than just a hunch

Instinct doesn't cut it anymore—if it ever did. Data is what will make the key difference between profit and loss. Complex material and processing requirements make operations more complicated than ever, so you need the right solution to deliver comprehensive real-time reporting. Your managers can stay ahead of any challenges in the production process with accurate reports that:

- Deliver personalized, role-specific information through user-friendly dashboards.
- Integrate into a full suite of analytic tools, allowing detailed insights or broader overviews of production trends.
- Calculate margins line-by-line for every order.
- Pinpoint downtime, operator errors or material problems on the shop floor.



Coil slitter cuts excess labor costs and machine downtime

A coil slitter with two shifts was struggling with rising labor costs. If a machine went down, the operator was idle until the shop floor manager reworked the production plan. The system was inefficient and impacting profits.

Through an ERP system with automated production scheduling, the coil slitter increased throughput to keep machines working at maximum capacity. In addition, automated tracking of maintenance schedules has reduced machine downtime.

6 Control costs and optimize operations with unified data

Finance becomes more and more critical to your operation when you need to take tight control over costs. As you add more services—oscillating, reducing, blanking, leveling, coating and more—tracking profitability becomes harder. Optimizing operations and maintaining profits requires clear visibility into the four components of cost: materials, labor, overhead and outside processing.

ERP: the power tool you need to fuel profits

When it comes to financial management and data, ERP designed to handle complex production will give you tighter control. To ensure that you have full visibility into operational profitability, you need a solution that can:

- Provide accurate and timely costing by tracking costs throughout production, including equipment and labor.
- Provide true costs and profitability at the line item level.
- Monitor performance through KPIs. Centralized data allows you to move beyond simple AR and AP, with analysis tools to track key metrics across your entire organization.
- Compare actual results with multiple budgets to give you better control of cash flow.

Coil slitter branches out

After entering a higher-margin market segment, a coil slitter was struggling to meet the delivery requirements of the new, smaller customers. Their current ERP system did not connect customer delivery instructions to the production and shipping orders so instructions were getting lost—frustrating customers and delivery drivers.

To meet the expectations of their smaller customers, the coil slitter implemented a modern ERP system that attaches customer specifications—including packaging, loading and shipment acceptance times—to orders as they flow through the system.



ERP designed to control costs and build profits for Coil Slitters

From planning, scheduling, purchasing and inventory management through production, quality control, sales and finance, RealSTEEL delivers enhanced functionality and benefits far beyond those in current ERP systems. Providing user-definable, multi-attribute levels of management for functions such as purchasing, producing, stocking, planning, inventory and selling, **RealSTEEL gives you unprecedented control of your business.**

RealSTEEL is the affordable ERP system that **manages the specialized inventory and processing requirements of the metals industry**, built 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.
- **Digital workstations** that allow operators to enter actual materials usage, time spent and production variance in real time from the shop floor.
- **A powerful shipping dispatch board** with drag-and-drop load balancing and cumulative tonnage reporting.
- **Multiple attribute** inventory tracking and costing.
- **A support team** who understands your industry's processes and truly cares about your business.

RealSTEEL™

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

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