

TRANSFORMING A MAJOR STEEL PRODUCER'S SUPPLY CHAIN AND FINANCE PROCESSES

Utilizing ADMnext, Capgemini helps drive efficiency by streamlining inventory management and optimizing performance

This company produces millions of tons of steel every year and manufactures a wide range of steel products for numerous different industrial applications. It serves a variety of clients and industries around the world, meaning that any gaps or inefficiencies in its operations can impair its ability to deliver on a global scale and potentially trigger a domino effect.

The company wanted to improve its supply chain and finance function to shorten time-consuming processes and enhance those that were facing problems. This included supplier payments, which were occasionally delayed due to payment files being empty or without any payment details. The steel producer needed a solution to prevent these disruptions and accelerate workflow to avoid falling behind delivery schedules. Therefore, the organization contacted Capgemini to help with the acceleration of its supply chain operations and the improvement of its finance function.

Client: A major North American steel producer

Industry: Manufacturing

Client Challenge:

The company was seeking to better serve its customers by improving and accelerating its supply chain and finance functions while preventing major disruptions

Solution:

The Capgemini team delivered a comprehensive transformation to upgrade the company's system for fulfilling orders and managing inventory, which resulted in substantial efficiency gains across the organization's supply chain and finance functions

Benefits:

- Substantially enhanced user experience across multiple functions
- Streamlined period-end procedures that shortened month-end closing from four to two days
- 20 work hours saved monthly by simplifying the supplier-accrual reconciliation process
- Saved an additional 20 work hours per month in freight-rate creation
- Set up alerts and health checks to monitor system health and take proactive actions to avoid outages

Boosting efficiency and productivity through ADMnext

In utilizing ADMnext solutions, Capgemini delivered a comprehensive transformation to upgrade the company's system for fulfilling orders and managing inventory. This involved a set of tools and implementations to drive improvements across various performance metrics. Releasing reserved stock from orphan shipping lines was automated to realize accurate on-hand product, which helped drive productivity in sales and shipping while also improving inventory reconciliation. Additionally, the freight-rate system benefited from a new, user-friendly screen that helped eliminate several manual steps.

The new and improved inventory period opening process helped decrease stuck transactions. Now, the inventory period is opened for more than 50 inventory organizations in a single step without involving business users. Additionally, automation helped speed up inventory and supplier accrual reconciliation by cutting eight hours per month from the execution time. Automated opening of the next inventory period also helped eliminate stuck shipping transactions and the need for an on-call team to resolve such situations.

Capgemini ADMnext's Business Process Focus tool now proactively monitors critical business transactions and identifies other issues, such as invoice concerns or unprocessed shipping orders and claims. This removed some of the bottlenecks in period-end activities and enabled the team to accelerate closing inventory periods by restructuring underlying infrastructural components. The steel manufacturer can now process orders and complete shipments more quickly for its customers across the globe.

Overall, the Capgemini team was able to deliver the following benefits:

- Substantially enhanced the user experience across multiple functions
- The automation of customer-facing report distribution
- Streamlined period-end procedures that shortened month-end closing from four to two days
- 20 work hours saved monthly by simplifying the supplier accrual reconciliation process
- Saved an additional 20 work hours per month in freight-rate creation while significantly improving the user experience
- The introduction of alerts and health checks to monitor system health and take proactive action to avoid outages
- Development of a dedicated infrastructure to improve the performance of shipping and pricing jobs and reduce system resource conflicts
- A host of process-performance improvements.

Expanding upon an iron-clad partnership

The steel manufacturer is keen to continue utilizing Capgemini's proven supply chain tools and extensive experience in finance and accounting for optimizing operational efficiency. The partners are looking to develop this relationship further by streamlining processes and improving services across additional business functions.

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About Capgemini

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