



Industry: Metal Service Center and Metal Fabrication

Skyline Steel LLC

The Rolled and Welded Pipe Division of Skyline Steel is manufacturer, fabricator and distributor of a wide range of rolled and welded pipe. Applications for their product include caissons, core barrels, segmented fittings, steel plates and split, bolted, and hinged casings. Skyline's rolled and welded steel pipe is offered in a large array of sizes and is shipped to ensure the most cost effective delivery. Located in Newton, IL the Rolled and Welded Pipe Division of Skyline serves its customers with a knowledgeable team of customer service individuals who are able to ensure that the product delivered meets the customers' precise specifications.



Skyline Steel is recognized as the premiere provider of steel foundation solutions in North America. Their commitment to the industry has established Skyline as the most trusted source in piling. Skyline Steel is a wholly owned subsidiary of Arcelor Mittal, the largest global steel producer. Skyline Steel is the domestic steel foundation arm for Arcelor Mittal, serving the US, Canada, Mexico and Caribbean markets.

The Situation:

Like many steel fabricators and service centers, Skyline was using multiple disconnected software applications to manage the business. While they had the necessary data for each of their departments, the data was disconnected and often times required multiple data entry inputs. There were numerous spreadsheets that were developed manually and much of the business reporting was done through reviewing those spreadsheets coupled with other non-integrated reports or paperwork.

At Skyline, every sales order begins with a quote. The ability to quickly and accurately provide a quote was a critical business requirement. As every quote and sales order line item is unique, Skyline required a flexible, "to order" enterprise solution to ensure that they could gather all of the customer specifications, determine material availability, determine production capacity and determine profitability all while processing a quotation. Without an integrated business system, this presented a challenge for Skyline as in order to process a quote, multiple departments needed to provide input to ensure the order was processed correctly and margin objectives were met.

The raw material inventory at Skyline is extensive and comes in many forms such as coil, plate and sheet. What was of utmost importance to Skyline was a decision support infrastructure to help them decide which "tag" of raw material would best meet the customer demand. That tag, be it a

single coil or number of plates, is unique in terms of its chemical properties, physical properties and dimensions. Since every request for a quote for rolled or welded pipe is unique, Skyline was looking for an inventory optimization solution to help recommend to their employees the best tag of raw material to meet the customer specifications. Thus reducing scrap and remnants and eliminating any manual processes to review their vast yard of raw material to determine the best material to use.

Overall, Skyline needed an enterprise application to support not only this sales requirement, but integrate all departments and provide management with the necessary business intelligence to run the business.

The Solution:

Verticent's ERP solution, built from the ground up to support managing a dimensional product, was the answer. The Verticent ERP solution provides a complete suite of modules that are vertically focused to meet the unique needs of metal fabricators and metal service centers.

To meet the complex needs of the Sales and Customer Service groups at Skyline Steel, an enterprise solution with deep "to order" functionality was required. The Verticent ERP solution provides proven functionality to enable customer service personnel to process sales orders and quotes efficiently and accurately. First, the Verticent quoting solution

Customer Solution Profile

provides Skyline with a blank template for capturing customer specifications. They use this template to capture grade, gauge, pieces, ID, OD, tolerance, fixtures and many other customer specifications. Second, based upon those specifications, Verticent creates a unique series of production operations and a material list for that quote line item or line items. And third, the person entering the quote or sales order has immediate visibility to margin by material, each operation and has a clear view of both material availability and machine capacity. Prior to completion of the quote or sales order, the user is provided with a real-time and accurate Capable to Promise (CTP) date based upon the finite schedule in production and material availability. This has eliminated the manual steps of inquiring with multiple departments for capacity and inventory availability and in real-time alerts all departments about the quote or sales order.

Once a sales order has been completed, Verticent helps Skyline Steel with selecting the optimal raw material to meet the customer demand. The raw material “nesting and cut optimization” capability is built-in and recommends the optimal raw material to meet the customers’ specifications and reduce scrap and remnants. At Skyline, this important feature recommends whether a coil should be used or recommends use of an existing plate or sheet. Sometimes, as often occurs, intervention is needed if for whatever reason, the recommended raw material is not available or more likely located in an inefficient position (e.g. “bottom of the stack”). In those instances, users can perform a manual allocation to remedy that situation. However this inventory optimization occurs, Skyline is now ready to level, roll, weld and fabricate the pipe to the customer specifications and they are able to capture detailed cost information for all operations and have excellent visibility into job costing and profitability. This inventory optimization feature has had a significant operational efficiency improvement in the area of purchasing. Since Skyline is now optimizing their existing raw material and has reduced scrap and remnants, they are making smarter material purchases and more timely material purchases.

Net result, Skyline Steel has improved efficiency in each of their departments. They have turned data into information! They have eliminated non-value added and redundant data entry steps! They have become a truly connected enterprise!