

Ohio Coatings Company

AXIS® ERP



AXIS ERP Helps Tin-Plating Manufacturer Reduce Shipping, Labor Costs

Savings a Result of Automatically Giving Low-Cost Shippers First Choice of Shipping Jobs



Reducing Costs and Saving Time

Ohio Coatings Company (OCC) selected the AXIOM® Enterprise Resource Management system from AXIS, a Consona ERP solution, partly because it can be easily customized and integrated with other applications. OCC integrated AXIOM ERP with the Best Transport® transportation information network, a web-based application service provider with over 4,000 shippers and carriers, through the exchange of prescribed transaction sets for the tendering, acceptance, scheduling and invoicing of outbound loads. OCC tenders each load to lowest-cost carriers over the Best Transport network, which has reduced shipping costs by 10 percent and saved 60 hours per week by automating the process of tendering loads to shippers and approving the invoices for payment.

OCC was established in 1995 as a joint venture company of Wheeling-Pittsburgh Steel Corporation (now Severstal Wheeling Inc.) and Dongyang Tintplate of South Korea (now TCC Steel). The company's tin-plated coils are used to package soups, vegetables, sauces, meats, pet foods, juices, beverages, and coffees, as well as in such products as oil filters, paint cans, aerosol cans, baking pans, food trays, and alkaline battery jackets. Its shiny surface, superb corrosion resistance, formability, weldability and printability make tin plate an ideal choice for use in a broad range of applications for the food industry and the industrial parts producers.

ERP Tailored to Needs of Metal Industry

As a startup in 1996, OCC was looking for the best-fit ERP solution that could be implemented within a reasonable timeframe

and at a reasonable cost. "My predecessor selected AXIOM because it is a full-range ERP solution tailored to the needs of the metals industry that provides nearly all the functionality that we need off-the-shelf at a very reasonable cost," said Peter Marshall, manager of information services for OCC. "Another important reason for selecting AXIOM is that custom code, whether used to modify existing capabilities or provide totally new capabilities, is totally segregated from the standard product so an upgrade to the standard product does not overwrite any of our customizations."

"Through many customization, integration and e-commerce efforts, OCC has considerably enhanced and extended the functionality and utility of the AXIOM solution as it fits our production environment and business practices," Marshall said. A major objective of the initial implementation was the development of interfaces from AXIOM ERP to OCC's General Electric Level 2 process control system. Schedule, order and coil data from AXIOM ERP are downloaded into the Level 2 system to automatically configure production line parameters, states Denver Green, OCC's manager of electrical maintenance. Finished coil process data is uploaded into AXIOM ERP.

Integration with Shipping Network

The largest customization effort to date involved integrating AXIOM ERP with the Best Transport network. In the past, OCC's truck dispatcher used the ERP system's Truck Schedule report and custom truck schedule screen to call preferred contracted carriers to schedule carrier equipment and pickup times

Return on Investment at a Glance:

The implementation of the AXIOM ERP system helped Ohio Coatings Company, a leader in tin-plated products, to reduce costs in managing the shipping process. Specifically, OCC has:

- Reduced shipping costs by 10 percent.
- Saved 60 hours of labor per week by automating the process of tendering loads and approving invoices.
- Implemented EDI with other suppliers, eliminating manual effort involved in processing paper invoices.

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— **Peter Marshall**, Manager of Information Services, Ohio Coatings

for each load. This time-consuming process would often involve multiple phone calls for each load in order to find an available carrier. The truck dispatcher rarely had time to seek out the best price for each load and instead often called higher priced carriers that historically demonstrated available and reliable service to a particular destination. Following the delivery of the load, carriers would submit a paper invoice to OCC for vouchering and payment. A financial analyst would have to manually verify each invoice and then manually enter the invoice into AXIOM for payment. This process was tedious and susceptible to errors.

OCC information services staff customized AXIOM ERP to integrate fully with the Best Transport network. The AXIOM ERP load-shipping screen was customized with a check box that indicates whether or not the load is to be tendered to the Best Transport network. Prescribed load information for all loads earmarked for Best Transport is assembled automatically every 15 minutes utilizing custom tables that were created by OCC staff in the Progress database. Transactions are automatically FTP'ed to the Best Transport website and the loads are tendered to carriers.

Based on OCC's rules, transmitted load information is displayed first to the lowest-cost quartile of contracted carriers for the particular destination only for 15 minutes. A carrier can accept it, reject it or let it expire. If the load is not accepted by any of the lowest-cost carriers, it then rolls to the second lowest cost quartile of carriers who have 15 minutes to accept, reject or let it expire, and so on. An expired Best Transport load can quickly and easily be re-tendered in Axiom or manually handled by OCC's dispatcher.

Reducing Transaction Costs

When a carrier on the Best Transport system accepts and schedules a load, acceptance and schedule transactions are automatically sent from the Best Transport website to OCC. That load automatically shows up on the Truck Report and on OCC's truck schedule screen in the appropriate time slot. The Best Transport system then transmits freight payment transactions to OCC following the delivery of the load. Validation and vouchering are

now done automatically. Exceptions are kicked out to an exceptions report for manual intervention.

According to Ken Kinyo, OCC's manager of traffic & transportation, the percentage of OCC outbound loads designated for the Best Transport system has increased from 46 percent in the first year (2003) to over 95 percent of over 7,000 outbound truck loads last year. Within the first month of OCC's implementation of Best Transport, several contracted carriers renegotiated lower rates so they would have an earlier opportunity to bid on loads. As a result, shipping costs have been reduced by 10 percent. In addition, the elimination of the need to call shippers for most loads has freed up 50 percent of the dispatcher's time.

To date, over 13,000 freight invoices have been handled electronically, freeing up 75 percent of the time a financial analyst spends validating paper invoices. Automating the invoicing process has also eliminated the possibility of many errors.

EDI Improves Operating Efficiency

OCC has also utilized AXIOM ERP to perform EDI and other electronic data transactions to enhance operational efficiencies, improve data accuracy and availability and create strong partnerships with suppliers and customers. About 18 months ago, OCC began accepting inbound EDI 810 invoices from its major black plate supplier. Since then, the company has accepted over 13,000 electronic invoices and eliminated the manual effort and potential for errors involved in processing paper invoices.

"The ability to customize and extend standard AXIS functionality and integrate third-party solutions has allowed OCC to achieve business goals and a better competitive position through improved efficiencies and trading partner relationships," Marshall concluded.

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CASE STUDY

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