

Case Study: JMC Steel Group

ALIGNING JMC'S SUPPLY CHAIN STRATEGY WITH THEIR CORPORATE OBJECTIVES

Client: JMC Steel Group • Industry: Industrial Machinery & Components

JMC Steel Group (JMC), formerly John Maneely Company, is the largest independent tubular steel manufacturer in North America with an annual production capacity of approximately 3 million tons and has the most diverse product platform in the North American pipe and tube industry. Headquartered in Beachwood, Ohio, JMC is a premier manufacturer of welded steel pipe with six main product lines: standard pipe, electrical conduit, sprinkler pipe, fence pipe, galvanized mechanical tubing and electrical fittings & couplings. Approximately 80% of their corporate revenue comes from plumbing and electrical applications valuable to non-residential construction markets. JMC operates eleven plants in five U.S. states and one Canadian province and is the market leader in core product categories such as Hollow Structural Sections, Pipe Tube and Electrical.

Need

JMC wanted to enhance their supply chain responsiveness, efficiency and integration to increase their market share, market value, margins and inventory turns. The lack of an efficient and responsive supply chain was restraining JMC with longer lead times, bigger inventory buffers, budget overruns and continued demand-supply imbalances.

The company had to address the inadequacies in its supply chain to realize its business objectives. Gaining market share, increasing equity value and improving Returns on Investments (ROI) required inventory costs to be reduced and customer service levels to be improved with better response management.

Supply chain vulnerability had started affecting the company's gross margin and they needed a partner to manage the risk. JMC required Bristlecone to identify the weaknesses in their supply chain, match them with the right SAP capability and redesign processes accordingly.

Solution

Bristlecone helped JMC integrate their supply chain by redesigning business processes to improve account management, sales & operations planning, customer based forecasting, collaborative forecasting, inventory planning, production planning, procurement planning, inventory management and supply chain management. These improvements were supported with SAP APO Demand Planning, SAP Replenishment Planning (for stocking agents using standard SAP ECC) and Portfolio Analysis (ABC classifications and demand patterns). We optimized their business processes and introduced appropriate metrics, reporting and monitoring to control the improvements.

Bristlecone engaged its Global Engagement Delivery Model (GEDM), which consisted of 3 stages – Assess, Implement and Manage. A detailed study of the 'as-is' processes, best practices and systems of JMC was done in the assess stage. The implement stage included project preparation, business blueprint, integration tests run by the core team and live production system to run the business processes in identified areas. Manage stage consisted of 2 weeks of post go-live support.

We followed a six sigma approach to the process improvement and optimization. The scope of work included business process transformation and technical adaptation based on the new processes. The business process transformation

Overview

Need:

JMC wanted to enhance their supply chain to be able to meet its business objectives

Solution:

Bristlecone conducted a Business Transformation Program to optimize their business processes and implemented SAP Supply Chain Management (SCM) 7.0, SAP APO Demand Planning, Supply Network Planning, Production Planning/Detailed Scheduling, Global Available To Promise (GATP), SAP Business Intelligence (BI), SAP ERP Central Component (ECC) and Axiom.

Benefit:

Bristlecone helped JMC to integrate & enhance their supply chain and improved forecasting, inventory management and commit to customers.

Highlight:

We helped JMC reduce inventory costs by \$26M

described business processes, organization, supply networks and locations. As part of the technical adaptation, we implemented SAP SCM 7.0, SAP APO Demand Planning, Supply Network Planning, Production Planning/Detailed Scheduling, Global Available To Promise (GATP), SAP Business Intelligence (BI), SAP ERP Central Component (ECC) and Axiom. We were also involved with the improvement of all data and technology pertaining to the management of JMC's supply chain.

GATP allocated demand on the basis of quota and considered business rules around shipment options & routings, helping JMC to commit to orders on request dates. BI enabled meta-data search and remote activation of data resulting in a better and more flexible data access management. JMC was able to effectively monitor their inventory through our optimized inventory and replenishment planning. We helped JMC maximize demand fulfilments and optimize their inventory levels with Demand Planning and enabled better business agility positioning JMC for future growth.

Benefits

- Specific inventory reduction targets set and achieved by process changes, training, and SAP enablement
- Increased supply chain visibility
- Collaborative forecasting, inventory management and replenishment
- Improved commitment to customer demands
- A more responsive, efficient and integrated supply chain
- Flexible data access management
- Standardized business processes
- Better inventory tracking

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