



Southern Steel Group surveyed its core users to establish the key functions they wanted to be able to perform with a new ERP system.

GOING LIVE

Creating a system that can operate a vast and complex distribution network that runs 24/7 is not for the faint of heart

BY CORINNA PETRY

Southern Steel Group is the largest privately owned steel supplier in Australia. It has been operating for more than 60 years and employs over 1,000 people nationwide.

“We hold a large inventory of plate, structural steel, merchant bar, pipe and rectangular hollow sections, giving us the capability to manage small- to large-scale projects and long-term supply,” says the company’s project manager, Kerrie-Anne Gatt.

“Despite its size, the Southern Steel Group is still a family business that makes excellent customer service its absolute top priority. Our agility and can-do attitude allow us to move fast to deliver accurate, just-in-time solutions to

construction, engineering and manufacturing challenges,” Gatt says.

The company has been operating an in-house-developed stock and debtors accounting system that used COBOL as its computer programming language. “This system was fully customized to our needs and had been developed over 20 years. Our system was renowned for its simplicity of use.” A large percentage of Southern Steel’s employees are long-term users of the legacy system—20 years on average—so the company had to ensure the replacement system “was going to remain user friendly but provide immediate benefits to ensure user acceptance,” she says. The distributor began seeking out a replacement system for several reasons. “Our in-house developers were reaching retirement age; our

business needs were changing; and our users were looking for improvements to help them service our customers more quickly,” Gatt says.

The company surveyed its core users to establish the key functions they wanted to be able to perform with a new ERP system.

Users required the ability to transfer orders or material from branch to branch; to buy and sell across Southern Steel’s multiple entities; provide product traceability (heat numbers, country of origin) for all material supplied, including processed parts; and to split a sales order into multiple deliveries. The survey respondents also wanted improved functionality of quoting, selling and supplying internal and external processing, which Gatt says is a growth area for Southern Steel.

Importantly, she says, “We required a system that could work with all of our divisions: steel distribution, plate processing, retail outlets, roll forming, and sheet and coil.”

PERFECT TIMING

4GL Solutions, Stouffville, Ontario, beat out 20 rivals to win the contract to supply Southern Steel with a new ERP system, called Steel Manager III.

“We had sent out an email blast in Australia and connected [with the client] that way. The timing was perfect because Southern Steel was scouring the globe for a software partner,” 4GL Solutions President and CEO George Walton says.

“We were one of 20 providers they identified as a potential fit. We started performing demos, and we were narrowed down to the top three” before winning the bid.

“Southern Steel was running on a legacy system that did not have the traceability that’s required for the steel—the mill certifications, the heat numbers—as well as automation. Those things are important,” Walton says.

“We checked all the boxes. We have the traceability and the automation. What really put us in the lead was our flexibility—we weren’t saying, ‘here’s the package and make it fit.’ We were willing to work with them to provide a solution to run the business properly.”

FROM STEM TO STERN

Southern Steel needed all the components from procurement to outbound shipping and

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GEORGE WALTON, 4GL SOLUTIONS

invoicing and wanted to streamline every step of its process. On the purchasing side, “we did a lot of EDI work with their suppliers. So purchasing and receiving is automated. From the purchase order, there are advance receiving notices, and [employees] just scan that as it arrives in the building,” Walton says.

“Going over to sales, there is a lot of production that goes on in house, and there is a high volume of it. They have 400 or 500 line-item orders with all sorts of products and gauges and weights,” he continues. “They needed a system that’s able to push through all those transactions quickly”—tasks as varied as nesting shapes and creating Excel spreadsheets. With the 4GL system in place, users can merely “input the requirements of the order, with sizes, hit a button and have a nest built into existing stock, identify what scrap was left behind and quote the order with the scrap remnant reported.”

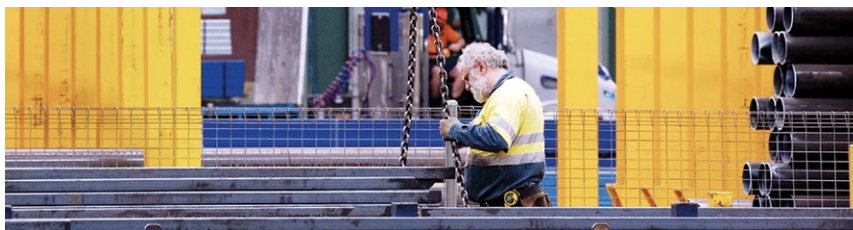
Walton says that prior to Steel Manager III, Southern Steel had virtually no computerization in the warehouse and now has a fully barcoded operation with the best traceability in the country.

On the fulfillment end, “we manifest load planning, provide load confirmation and [report] through to invoicing. So Southern Steel is using every aspect of our system,” Walton says.

Gatt says that the Steel Manager III system has since been rolled out to six locations so far, and the company expects to install it in 25 branches total.

ROLLOUT

Southern Steel initially went live with the system in October 2020. Prior to that, 4GL Solutions’ team performed demonstrations of Steel Manager III, then conducted a thorough business assessment. “That is key to a successful installation,” says Walton. “We ask them how they operate and what’s important to them. The assessment was comprehensive, and we configured the system accordingly,



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filling gaps in system functionality and customizing some components.”

About 75 percent of the training 4GL Solutions provided was through videoconferencing to a core project team, Gatt says. “4GL undertook multiple on-site visits to assess our business needs and refine the system requirements. 4GL developed core functionality within processing and truck manifesting to suit our needs.” Southern Steel’s project team then completed both on-site and videoconferencing training to all the business users. “This included handheld devices in our operations team for the first time,” says Gatt. The system is reasonably simple to use, she continues, “with most users being able to key a sales order in their first training session. We have been successful in winning new customer business due to SM3’s product traceability.”

For example, Walton says, one branch was limited to delivering 300 tons of steel per day. “Their systems could not handle any more volume. During the first month on our system, they dispatched 400 tons in one day, and this [capability] continues to grow.”

ADDRESSING CONCERNS

Because Southern Steel was, to date, the largest company that 4GL Solutions had partnered with, the team had concerns, says Gatt, about its ability to take on such a complex project.

“To overcome those concerns, 4GL gave us direct access to George [Walton] and his senior developers, guiding us through our journey from the beginning. 4GL has been very responsive to our business needs and new development requests.

“This partnership was strongly evidenced with our first SM3 go live, which was completed 100 percent remotely due to COVID-19,” says Gatt.

“4GL and my project team had no physical presence on these four sites, but we connected via video conferencing and remote access. We provided 4GL with remote access to our

users’ desktops—this would be granted only to people we trusted,” she adds.

As Southern Steel’s businesses run 24/7, the project team worried that remote support “was going to be difficult, to cover the full 24 hours across four sites. Two of our sites are 14 hours away from the mother branch in Brisbane,” so training and support were even more critical. Four sites were located in Queensland, in another time zone from Southern Steel Group’s headquarters in southwest Sydney, but 4GL Solutions “willingly took the support calls during our overnight shift [midnight to 4 a.m.]. That enabled my team to get some needed rest while the night shift continued operating.”

The success of this go live depended on both parties’ support. “Any issues were immediately addressed. A fully remote go live was a first for 4GL and Southern Steel Group. It was definitely challenging and risky, but we were not going to let COVID negatively affect our business.”

LEAVING AN IMPRESSION

“After conducting an exhaustive search to find an ERP software solution that could handle the many requirements of Southern Steel Group, we are extremely pleased with our decision to partner with 4GL Solutions and their metal-specific ERP software, Steel Manager III,” says Managing Director Kevin Smaller.

“Because Southern Steel is in every aspect of steel distribution and processing, our requirements list was extensive,” he says. “The flexibility and ability of 4GL Solutions to configure Steel Manager III to the requirements of Southern Steel and the Australian steel market is impressive, to say the least.”

Though this experience, says Gatt, “We have developed a partnership where we see 4GL as part of our future IT needs. We will continue to grow and learn together.” ■

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