

Ryerson Puts the Pedal to the Metal

With a Six Sigma Strategy - Shoplogix™ Increases Productivity by 19% with a 140% ROI



CASE STUDY



Ryerson Inc. is a leading distributor and processor of metals in North America with approximately \$6 billion in annual sales. Headquartered in Chicago, Ryerson extends a network of service centers across the United States, Mexico and Canada as well as metal trading capabilities around the globe.

BUSINESS GOAL

Ryerson adopted a Six Sigma approach to drive a measurement-based strategy that focused on process improvement. The primary goal was to use the firm's Ryerson Plus™ Process to incorporate Six Sigma objectives into operations and build the foundation for a successful program. The critical first step was to develop a sound data collection plan to gather reliable and statistically valid data.

CHALLENGE

The key challenge for Ryerson was finding a solution that would enable the acquisition of real-time production data in a legacy environment. A critical factor in the decision was the level of customization and integration required during the implementation process.

"Shoplogix is a well-designed solution that simplifies the entire data acquisition process."

SOLUTION

Having evaluated a number of options Jeremy Brown, Ryerson Plus Green Belt and Project Manager, found that the majority of data acquisition solutions available required a capital investment over and above the purchase of software and involved lengthy

implementation times of three months or more. This route also necessitated layers of integration effort and costly customization.

"In an eight hour shift we saw a 19% increase in productivity without increasing costs. On our initial Plantnode installation, we achieved a Return on Investment of 140% with a payback of 28 days."

Looking at the alternatives, Ryerson considered building a home grown solution that would not necessarily be faster, but would be customized to meet the organization's specific needs with a similar amount of effort. Upon further consideration and research an alternative solution was discovered in Shoplogix.



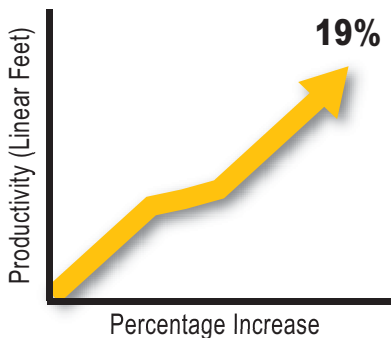
Peeling Off the Layers and Getting to the Heart of the Matter

Jeremy Brown stated, "We chose Shoplogix for a number of reasons. It's a well-designed solution that simplifies the entire data acquisition process and it can scale when we're ready to fully utilize its performance management capabilities. Plantnode is proven in legacy environments, delivers results faster than if we were to build it on our own, and it's less complex than competitive products. The low complexity meant that we would have an easier implementation with no major retraining required."

"Other products need a PLC (Programmable Logic Controller) to access data and require layers of integration and customization."

Increase in Productivity

Source: Ryerson Inc. 2006



In an eight hour shift productivity increased without increasing costs.

Shoplogix offers a neat, packaged solution that combines hardware and software so there is no integration required and no compatibility or standards issues to deal with. Plantnode installs in one day, it's easy to use and the results are immediate."

Ryerson installed Shoplogix's Plantnode on one cut-to-length line in the steel processing division and determined that a 5% increase in production was sufficient to justify the investment. Brown stated, "Plantnode performed far beyond our expectations. In an eight hour shift we saw a 19% increase in productivity without increasing costs."

Return On Investment

Source: Ryerson Inc. 2006



Ryerson achieved a 140% Return On Investment with a payback of 28 days.

"On our initial Plantnode installation, we achieved a Return On Investment of 140% with a payback of 28 days."

The project was a marked success, not only because of the dramatic increase in production, but also because Ryerson's operators fully embraced the solution. Shoplogix proved to be a motivating force within the site's organization. According to Craig Tompkins, VP Operations, "Operators felt their lives were made easier and for the first time, they were able to relate their efforts to the bigger picture. Proactive notifications and alerts combined with Plantnode's visual display boards helped automate our communication process and

increase performance visibility of the production line. The result of real-time feedback and greater visibility into our process was increased efficiency and productivity, faster response to unplanned downtime events, and a more driven labor force. All of this was achieved while maintaining our exacting quality requirements."

28 DAYS
payback

"Shoplogix has helped us establish a solid foundation to achieve our Ryerson Plus objectives. We've gained tremendous insight into our current processes and we have established new standards of production efficiency."

THE QUICKEST PATH TO MANUFACTURING EFFICIENCY

Shoplogix is a leading provider of performance management solutions that optimize manufacturing processes to reduce costs and increase profitability. Shoplogix specializes in providing business solutions which improve productivity, efficiency, quality and extend real-time visibility into all aspects of your plant floor operations. An integrated offering supported by a lean methodology keeps Shoplogix at the forefront of the industry to deliver solutions that provide customers with the quickest path to manufacturing efficiency maximizing ROI.

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