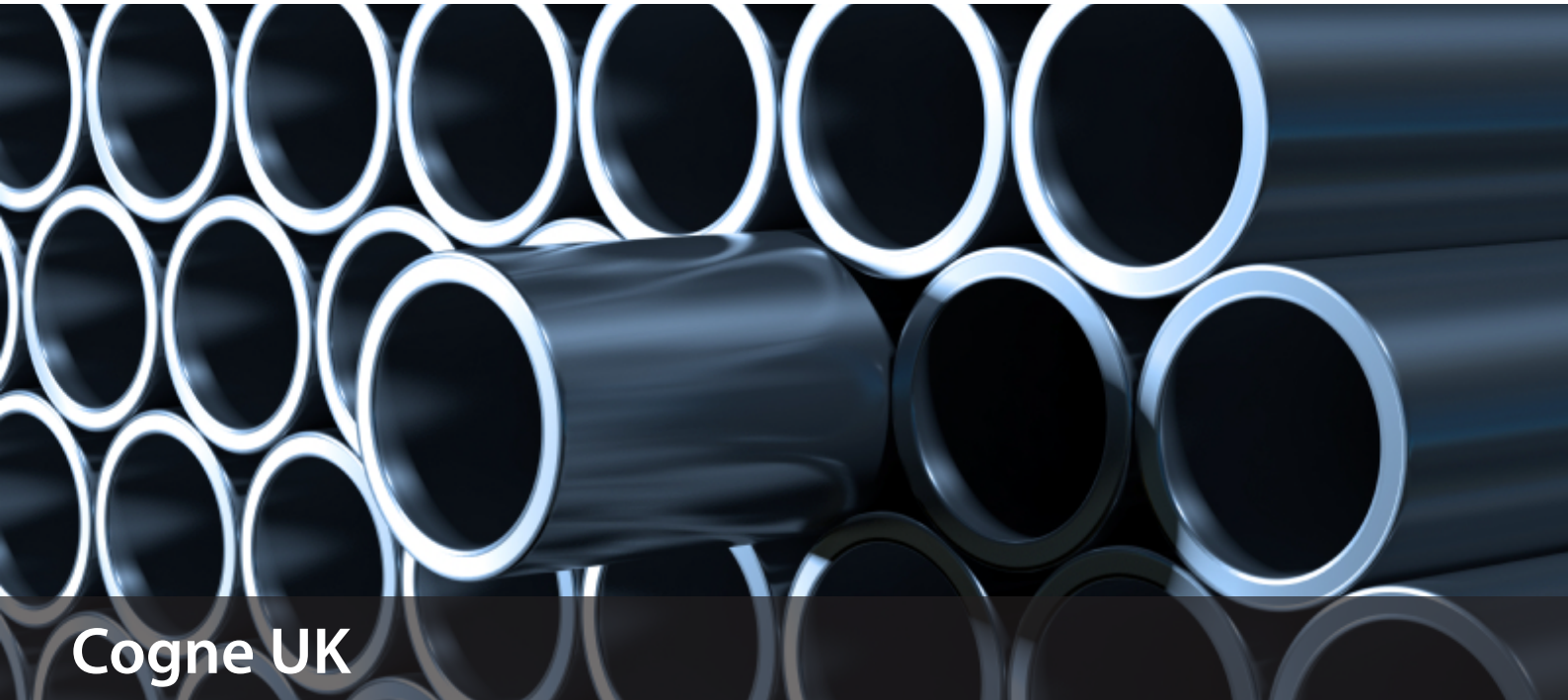


Manufacturing & Distribution Case Study



Cogne UK

Introduction

Cogne steel is used in many sectors in the engineering, construction and tool making industries. As a structural raw material it is subject to rigorous quality control and regular audit. This extends to Cogne’s processes and its ISO9001 certification. Access to test certificates is critical – they must be produced on request and failure to produce them could have dire reputational consequences. Like many businesses Cogne generates a mass of documentation and also circulates high volumes between 3 UK operations. In 2007 the firm decided to take full control of its documentation and regain confidence in its processes with the implementation of a Document Management solution.

“In a heavily audited environment Invu diminishes our potentially damaging exposure to risk and also gives us solid efficiency savings”

Andrew Scrimshaw,
IT Network Administrator,
Cogne UK



The Organisation

Cogne is a global leader in the supply of stainless steel and tool steel. The main Sheffield warehouse supplies engineering and construction firms with materials produced by its Italian parent company along with other third party vendors. It’s a well-established firm with a track record for excellence and its products are used across the world.

At Cogne around 100 staff are involved in the industrial and shipping process – steel stock is processed, and distributed to c.1,600 end customers and stock holders. The firm prides itself on a high quality and quick service – it is unique in operating its own delivery fleet which can ensure that urgent orders are fulfilled directly, often on a next day basis (no mean feat for bulky steel batches).

The Challenge

Cogne is a traditional business at heart. New technologies need to be meshed with engrained working methods. However, as part of a major efficiency drive the administration of its stock was seen as an area for improvement where a technology solution was appropriate.

Every order processed requires a test certificate to show that the steel is verified and meets its requirements for a range of specifications and results. In fulfilling customer orders from a number of sites and suppliers Cogne UK would fax and receive test certificates and these would then need to be matched to the relevant batch. A typical working day would involve in excess of 500 transactions and, as Andrew Scrimshaw, Cogne UK's IT Network Administrator, acknowledges *"We knew we were wasting thousands upon thousands of hours on the administration of test certificates."*

Delays in finding certificates could also compromise order fulfilment and delivery. In some cases this could be measured in days. The majority of documentation stored by Cogne needs to be stored for between 2-7 years. In the case of the test certificates, this documentation is retained indefinitely. Cogne could see space constraints becoming an issue in the future as there are over 550 new documents saved per working day. In addition to the operational need to find test certificates quickly, Cogne also faces four external audits per year by BSI under ISO9001 approval.

The Approach

Having established the need, the review of options was limited based on seeing Invu's capabilities early on. It was clear that the need to be able to digitise paper documents and automatically recognise the content was a key requirement. The functional fit, especially around barcode interpretation was satisfactory and the usability seen as a key differentiator.

Cogne also took up references from existing customers which vouchsafed the quality of the software and its business benefits. *"We like the fact that Invu continues to evolve so we know that we'll be able to take advantage of changes as they come off the production line,"* says Andrew.

The key problems to resolve centred on paper documentation and with this in mind Cogne took on Invu Document Management and Invu Interactive Zonal OCR/Barcode Capture. In addition, the Invu solution was integrated with the specialist stock management software using a simple barcode.

After the initial implementation the firm reviewed its working practices and re-evaluated how to optimise both process and software solution. Andrew is objective in his assessment of this stage in the project: *"In hindsight, we should have undertaken a full process audit and scoped the roll out by engaging more fully with Invu. However, by understanding our requirements we have now managed to standardise the document flow, ensured that the Invu solution reflects this and streamlined how we work. We'd recommend a collaborative approach and statement of work as part of the implementation to others."*

Key Benefit Areas

Processes

Invu is used across the organisation and a swathe of processes. However, three activities stand out as being most affected:

- Materials purchasing
- Sales order processing
- Non-conformance

All documentation filed into the Invu repository from the above processes is then subject to spot check and regular internal and external audit. There is high throughput of these documents and this magnifies the time and cost savings achieved. The effect on the day to day operational activity has been profound: *"We can't fault the Invu solution. It's had a real impact on our business which we couldn't have forecast."*

Key Benefit Areas

Time

By using Invu's in-tray concept, documents are routed between staff to be actioned and authorised. It's a simple, easy to use and quick to pick up method of working and ensures that no steps are omitted. It also means that documents are processed quickly. On average any order or test certificate would take a minimum of 2 minutes to find and fax to another site as appropriate. Cogne saves *"over 16 man hours every day on searching alone"*, according to Andrew. *"We hadn't appreciated just how much time Invu would save us – processes that took days are now measured in minutes and, at worst, hours."*

Costs

"Quite simply Invu is now essential to the successful running of our business and has saved us thousands of pounds in printing and administration costs." Converting time saved into costs, the search and retrieval savings are conservatively estimated at £120,000 to date. The finance and administration department has reduced with 12 staff handling the work which formerly needed 15 heads. There are also unquantified savings on print consumables, whilst storage requirements have also been substantially reduced. In fact reducing the amount of filing on site has enabled Cogne to turn otherwise dead space into a training facility.

Risk & Compliance

Compliance is a key requirement for the business. Test certificates are now safely stored in a secure, audited and version controlled repository. Batch tolerance details and the provenance and traceability of materials can therefore be discovered immediately whether for day to day operational needs or for an external audit. Andrew recognizes the benefits of the additional peace of mind which Invu brings to the business, *"In a heavily audited environment Invu diminishes our potentially damaging exposure to risk."*

Cogne has also been subject to flooding – digitising a manual and paper based process has meant that this vulnerability is also removed. All documents, from certificates to sales orders are not only handled electronically rather than via hardcopy and fax, but unlike paper forms can be backed up. In the event of disaster, Cogne knows that it can recover its processes and documentation.

Competitive Edge

The operational impact of the Invu project has been positive, notably around accelerating a number of processes flows. Reviewing the existing processes as part of the Invu implementation gave rise to an expected benefit when it became clear that some of these working practices could be streamlined. This review, combined with the efficiency improvements which the software introduced, means that operations have improved, this has led to a noticeable lift in service levels. Andrew has seen a genuine difference: *"We've seen massive improvements in service. We can immediately supply quotes and prove facts which could previously have led to disputes so issue resolution is now minutes rather than days."* *"Customers notice the fact that they get immediate responses to their queries. We make our own deliveries and this USP combined with high quality service really makes us stand apart from our competitors."*

"We process hundreds of documents every day - very conservatively, we know that we've saved at least £120,000 just on search and retrieval even without considering the thousands we know that Invu saves us elsewhere in the business" Andrew Scrimshaw, IT Network Administrator, Cogne UK

Future Steps

The Invu solution has bedded in with great success and there is a strong working relationship formed between Cogne and the Invu technical team: *"The knowledge of the support team on the product and it's interaction with our specific environment is superb."*

To date Cogne has used simple document routing to great effect. However, there is potential to extend the use of automation across the firm via Invu Workflow. This could leverage the business's specialist stock management software by using simple data look-ups, allowing for the use of intelligent triggers and value based actions. Andy also considers use of SharePoint across the organisation as a next logical step and is keen to see how Invu/ SharePoint work together. Invu for SharePoint will therefore be on the Cogne agenda.

Solution Summary

- Strong compliance and risk reduction.
- Streamlined processes.
- Cost Savings.
- Service level improvements.