



CUSTOMER STORY

Tata Steel connects sales to supply chain for one streamlined, user-friendly system

Tata Steel Group is an integrated steel company and one of the world's most geographically diversified steel suppliers, providing products and supply chain services for major contractors, fabricators, engineers, and end users. The company has a balanced presence in over 50 countries, with manufacturing operations in 26 countries and various ongoing projects in different parts of the world. As a top global steel company, Tata Steel Group's annual crude steel capacity is 27.5 million tons per annum (MTPA) (as of March 31, 2017). Of that, Tata Steel Europe (TSE) produces roughly 10 million tons of steel, which is distributed to thousands of customers around the world.

Use cases

- Demand planning
- Sales and operations planning
- Supplier planning

Challenges

- Required data dispersed worldwide across 100+ multi-tab spreadsheets
- Difficulty aggregating multiple versions of plans and forecasts for a consensus view of supply/demand balance across geographically widespread sales force
- Legacy IT landscape and spreadsheets too rigid and siloed to effectively balance a long production chain with the steel industry's high sensitivity to macro-economic volatility. As a result, customer delivery promises are not reliably kept
- Difficulty managing for international trade regulations and exchange rate swings

Solution

- Model the supply chain to accurately reflect the complexities of production and logistics, translating to improvements in long-term invoice operations planning
- Empower decision-making at all levels to efficiently maximize value for Tata Steel Europe (TSE) during execution of the sales plan
- Utilize Anaplan as a central platform to bring transparency and alignment at various levels and from various sales regions

Results

- Direct, user-friendly connection between sales and supply chain ensures process governance and reliable data
- Using a single, transparent system creates efficient, speedy planning

Why Anaplan

- Ability to connect supply chain planning processes to the rest of the business
- Robust planning at scale

Tata Steel Europe (TSE) knew they wanted to connect supply chain processes to the rest of the business—and that required a true platform. “The deciding factor was the robust nature of Anaplan’s platform. It is not just a planning solution for supply chain planning experts,” said Ardy Duwel, Head of Commercial Projects Office at TSE. “We wanted something that would scale to meet the needs of our planning professionals while bringing the rest of our business into the planning process.”

Connecting supply chain plans to meet diverse global demands

TSE serves many demanding industries worldwide, including Automotive, Construction, Consumer Products, Defense & Security, Energy & Power, Lifting & Excavating, and Packaging. Within these industries and markets, customer needs are different, which adds to the complexity in planning, collaboration, and performance management.

Prior to implementing Anaplan, data was spread across hundreds of spreadsheets company-wide. The sales and operations planning (S&OP) process—combining the variables, stock predictions, and the complicated internal manufacturing steps—was handled by a well-trained group; however, linking sales input to the supply chain was a manual process, and the company did not have good visibility into the sales plans until the very last moment. To address this, TSE decided to replace all Excel®-based planning, including stock forecasting and sales planning.

As the search for a new planning system began, TSE had just adjusted its business model from manufacturing all of its materials internally to purchasing more materials externally. To accommodate the added layer of procurement planning, the new system also needed to seamlessly link purchasing to the operational planning process.

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– Head of Commercial Projects, Tata Steel Europe



Selection process: Both functionality and ability to scale

In addition to Anaplan, two other technologies were evaluated: a point solution vendor specializing in supply chain software, which received serious consideration, and a small company with an Excel-based platform. But at the end of the day, TSE knew it wanted to connect supply chain processes to the rest of the business—and that required a true platform.

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“It was great to work with the people from Anaplan because that’s the best way to learn. I especially like the connection to other customers, which helps us continue to learn what it takes to be successful and to understand the impact of different approaches.”

– Head of Commercial Projects, Tata Steel Europe

A paradigm shift: From spreadsheets to Anaplan

For TSE, the implementation challenge was not only about model building, it was about process engineering as well. During the Anaplan implementation, Duwel realized that his team slightly underestimated the challenge of a clear step-by-step process of moving the data out of Excel. “You have to get out of the Excel limitation mindset. Because Anaplan is so easy to change, re-engineer, and model, we basically built Anaplan into interfaces twice in 12 months. It was a good learning exercise,” he explained. “We modeled almost the entire logistical chain to make sure we got it right. This type of flexibility and scalability to re-engineer models, hierarchy, or basic datasets would be next to impossible with other solutions. We now better understand our data because of the learning process we went through.”

“The implementation and going live was very simple,” added Duwel. “While there were some challenges with data transfer from the source system side—moving from a standard weekly and monthly data transfer to a daily data transfer—it simply took some discussions among the team to figure out the problem.” TSE has now laid the foundation for other projects, all facilitated by one operational data hub.

More accurate pricing, procurement, and delivery

TSE worked with Anaplan to develop a single, transparent solution for sales staff to enter and view data, as well as produce results for short- and long-term planning. Sales and operations are now directly connected on one platform. “We’ve defined our process and finally gotten a grip on the data. We now have the necessary data inputs, without making our sales and account managers’ lives more difficult,” Duwel shared.

The company is seeing more accurate pricing, procurement, and delivery forecasts. “We’re still scaling up but having more robust processes in place makes people more confident in what we do,” said Duwel. “The single source and transparency mean we can do things two to three times quicker and more efficiently than we ever did before. We will now have much more data around transactions by which we can strengthen our analytical improvement loop. And because Anaplan is easy to use, new ideas are being put into practice rather than just discussed.”

As a result of this collaboration and transparency between supply chain and sales on a single platform, TSE is able to optimize inventory investment, including raw materials, work-in-process, and finished inventories; improve the accuracy of price and volume forecasts; make more reliable customer order promises; and prioritize orders for more customers across all markets.

TSE can now also better track progress against plan, in addition to managing pricing in Anaplan. In terms of process, they have what they call a split process, which divides their planning into long-term and short-term planning. The long-term S&OP process has a three-year planning horizon, while the short-term planning is a weekly process that looks at a six-week horizon and is tightly integrated with execution. Additionally, in the long-term process, TSE can keep an eye out for deviations from the plan and how the company is performing in terms of execution.

Next up: Connecting downstream

TSE’s goal is to connect downstream businesses to its large steel business so it can offer an integrated service portfolio to customers. The company not only wants to be able to deliver from factories in large volumes, but also deliver tailored solutions in smaller volumes from their distribution centers. However, TSE has been struggling with a decentralized data collection system that prevented generating highly reliable planning information to the business.

Duwel appreciates the agility and transparency of the Anaplan platform, and sees potential to expand its use for planning and decision-making across the business. They also plan to expand the use of Anaplan within the sales organization. “We want to bring in things like risks and opportunities. When there’s an opportunity, what’s the value, what’s the margin? Are we going to do it? Anaplan enables these types of foresights,” he explained.



About Anaplan

Anaplan is driving a new age of connected planning. Large and fast-growing organizations use Anaplan's cloud platform in every business function to make better-informed plans and decisions to drive faster, more effective planning processes. Anaplan also provides support, training, and planning advisory services.

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