

▶ FLSmidth A/S

“With SSA[®] Configuration, we have altered our processes and considerably reduced our time in creating budget estimates.”

—MICHAEL K. NIELSEN, PROJECT MANAGER, FLSMIDTH A/S



“

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► streamline order configuration.

Business Issues

Previously, FLSmidth spent up to four weeks creating budget estimates for the construction of cement processing plants. After implementing SSA Configuration from SSA Global, the company reduced its estimate period to 1-2 days and produced results that were significantly more transparent and accessible. By submitting budget estimates in place of detailed and unnecessary quotations where applicable, FLSmidth has freed up valuable resources and time to work on cement plant projects that actually require detailed quotations. This has resulted in major benefits for FLSmidth, including greater efficiency.

The Company

FLSmidth A/S is one of the world's leading suppliers of cement production technology and a global supplier of cement and mineral plants, machinery, services, training programs and spare parts. FLSmidth offers customers everything from total cement plants to individual machines and upgrading projects. The company develops and designs much of the equipment while also collaborating closely with its sister companies and a large number of subcontractors.

What's Critical

A cement processing plant is a large and complex operation. It supports equipment and processes that turn limestone and clay into cement, and contains a large number of interconnected facilities with the kiln at the center, surrounded by a variety of mills and storage facilities — all joined by internal conveyer belts. Other factors also impact its operation, including raw materials, geography, climate and soil conditions in the area. Initial quotations for the creation of such a plant can be very complex. A large amount of information, including pricing for individual

company	FLSmidth A/S
solution	SSA Customer Relationship Management
product	SSA Configuration
industry	Industrial Machinery and Equipment
customer revenue	USD \$1.5B
employees	4379
country	Denmark

components, must be established. The information must be gathered from FLSmidth's own specialist departments and from its subcontractors.

The quotation process at FLSmidth consists of two phases: obtaining one or more budget estimates, and developing a final detailed quotation that will form the basis of a contract. Created from a process that is extremely resource and time consuming, the detailed quotation contains information for the individual elements of the overall cement plant project. To increase efficiency, FLSmidth decided to reduce the number of detailed quotations by developing budget estimates in a more efficient manner. This would require a system that can process different kinds of information, quickly configure an entire cement processing plant, and quote a reasonable accurate price for the overall order — all in a transparent and user-friendly way.

Finding the Right Solution

FLSmidth chose SSA Configuration to streamline its quotation process. First, they set up a working group to establish the framework for the use and installation of SSA Configuration. This group included staff with everyday responsibility for all phases of the offer and tender process.

Michael K. Nielsen, Project Manager for FLSmidth, explains why they chose to manage the project using non-IT staff: “It has always been our goal to set up a simple estimate and quotation system that is easy to maintain, user-friendly, and uninhibited by our current system. For this reason, we decided to manage the project using staff whose regular responsibilities include quotation creation and tender submission, and that understands the process of cement plant construction. We are pleased with this decision, as we have managed to maintain focus on our goal of establishing a user-friendly and rapid system.”

“SSA Configuration structures all the initial phases of a budget estimate, which allows us to be more flexible and react faster to a highly competitive market.”

—MICHAEL K. NIELSEN, PROJECT MANAGER, FLSMIDTH A/S

►► provide accurate estimates to customers.

Implementing Fast

Once implemented, the system went through a period of testing and data collation. Currently, FLSmidth uses SSA Configuration to submit most of its budget estimates to an annual sales value of 3.2 billion US dollars. Since implementation, they have also been able to increase the number of estimates submitted.

“Fulfilling our need for a faster and easier quotation process, for something as complex as a cement processing plant, was lengthy. Finding a system to streamline the way we submit quotations wasn’t difficult, but preparing, organizing and updating our internal processes has been a lengthy endeavor,” says Nielsen. “There’s no doubt that working with SSA Global was a positive experience as we were able to examine our work methods in an entirely new way,” Nielsen explains.

Making it Pay

Instead of collating prices and information on each component, the system uses four standard plant sizes when creating budget estimates. Before submitting the final quotation, individual components are assessed. Through this improved process, FLSmidth has found that the price calculated by SSA Configuration has only differed plus or minus five percent from the final quotation submitted for an entire plant.

“Even though we calculate an initial quotation based on standard components, the final price is extremely close to the estimate calculated by SSA Configuration. This gives us great confidence in the system’s accuracy. It only took one-and-a-half detailed quotations to pay for our investment in SSA Configuration. Therefore, the system has paid for itself very quickly,” says Nielsen.

Previously, FLSmidth needed to carefully assess and select the projects with high order changes in order to allocate the restricted resources and determine job prioritization. Now, they can answer almost every request, and the prioritizing is left to the customer.

Forward Faster™ - Into the Future

FLSmidth plans to upgrade to the latest version of SSA Configuration to provide access to new standard applications. The aim is to expand the solution into other areas and make it even easier to use by implementing more efficient and additional options.

Nielsen concludes: “SSA Configuration structures all the initial phases of a budget estimate, which allows us to be more flexible and react faster to a highly competitive market. We utilize our quotation and tender resources far more efficiently and expect to apply these same principles to the process of creating detailed quotations and orders.”

about SSA Global

SSA Global is a leading provider of extended ERP solutions for manufacturing, distribution, retail, services and public organizations worldwide. In addition to core ERP applications, SSA Global offers a full range of integrated extension solutions including corporate performance management, customer relationship management, product lifecycle management, supply chain management and supplier relationship management. Headquartered in Chicago, SSA Global has 63 locations worldwide and its product offerings are used by approximately 13,000 active customers in over 90 countries. For additional information, visit the SSA Global web site at www.ssaglobal.com.



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