

# STEMCOR STEEL & SAP BUSINESS ONE:

## A Case Study of an Ideal Partnership



# About Stemcor

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Stemcor is a London-based independent service provider for the steel industry. Founded in 1951, the company acts as an intermediary between steel mills and distributors. They have a long history of being the leading choice for buyers, distributors, and suppliers of various steel products in a variety of grades and qualities

The services provided are extremely diverse and include steel trading, distribution, credit, offtake, price risk management, shipping, inspection, bulk breaking, customs clearances, VAT regulations, consignment, stocking, and logistics.

The diversity of their services matches the diversity of commodities they deal in, including all forms and shapes of steel products, engineering grade steels, semi-finished products, raw materials, and specialized products for niche industries. Their partners are on every inhabited continent and dozens of countries, including players in the steel, energy, automobile, mining, consumer goods, financial, and logistics industries.

As one can imagine, such large operations come with a magnitude higher level of complexity, and managing these problems, especially in the fields of logistics, financials, and customer relations, became an ongoing concern for Stemcor, which was dragging their profitability, that, until they contacted Silver Touch Technologies for a one-stop software solution to their issues.

# Problems Faced by Stemcor and How SAP Business One helped resolve them

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Since Stemcor is an independent service provider in the steel industry, they take on many of the problems that steel producers and sellers face daily. Considering the wide variety of issues the company encountered regularly, and the specialized solutions needed to tackle these, Stemcor needed a robust, all-purpose software solution to track, log, manage, and analyze these from a single centralized portal.

This section will look at each of the major issues faced by Stemcor and then analyze how the implementation of SAP Business One helped mitigate them. These problems included -

## Inventory and Logistics



Stemcor is a global company that operates on all continents (except Antarctica, of course) and has offices and operations in wide-flung countries like the United Kingdom, United States, Chile, Brazil, Nigeria, Australia, Japan, Turkey, Thailand, Sweden, Switzerland, Singapore, Hong Kong, Spain, Portugal, Romania, Poland, Italy, Germany, France, and Finland. Considering the international scale of the company, managing logistics is a core part of their daily business and one that gives both regional and central management a lot of headaches

Not just steel, but Stemcor also dealt in various ancillary raw materials, such as scrap, iron ore, coal, alloys, and such, across their three global shipment hubs of London, New York, and Singapore.

Managing the purchase, warehousing, product tracking, shipping, and distribution of thousands of different steel products across dozens of locations is a highly complex and chaotic task requiring high precision from operatives. In the highly competitive steel sector, even a 1% inefficiency can have major repercussions on business operations. So Stemcor was looking for a software suite that would help them handle this with transparency, simplicity, and precision.

This is where SAP Business One comes in, and according to Stemcor, the results here were spectacular. With SAP Business One's dedicated inventory management tools, management suddenly could see precisely how many units of each product they had in stock, what grades of steel were available, where each unit was, and what products they had a shortage or surplus of.

Not only this, but they were also able to track historical data to track geographical and seasonal trends, thus ramping up the scale and efficiency of their operations. They could now place orders and adjust pricing in advance, giving them a huge competitive edge over their peers and enabling them to take their place as the leader in their niche.

## Financial Management



As Stemcor's core business is the trading and distribution of steel, it was vital for them to have their accounts in perfect condition. Tracking prices, negotiating contracts, managing finances, and invoicing across so many different product categories, currencies, suppliers, and purchasers is a mind-bogglingly complex task that normally would require an army of accountants working 24/7 just to stay afloat.

Stemcor's management repeatedly spoke about the difficulty of constantly checking changing prices across constantly changing currencies and partners to be able to run at a profit. They had a big business in price risk management services for their customers, and thus it was vital to be the best in the business and for their financials to synergize with their other divisions to deliver the best possible returns



Once again, SAP Business One swooped into the rescue with its sophisticated financial management capabilities and gave management the ability to instantly track current and historical prices, expenses, revenues, interest rates, and other financial data across each of their different hubs, quickly generating statements and allowing for analysis of inefficiencies and star revenue generators. In an area where each cent matters, Stemcor could stay at the top of its game and generate future opportunities with the help of data.

## Customer Relations



An integral feature of Stemcor's business is maintaining relations with and providing services to a huge number of different customers in different verticals of the steel sector. Stemcor's customers are varied across scale, location, niche, and requirements, and Stemcor's management had their hands full dealing with hundreds, or even thousands, of partners in several different languages and business cultures. Even small things such as time zones and local holidays take on a new dimension when a business is as spread out as Stemcor.

After Stemcor implemented SAP Business One, they were easily able to track each and every one of their different partners, being able to check at a glance what products that specific partner supplied or required, what the historical transactions with that partner had been like, and the contact and personal details of each partner.

Suddenly managing customer relations became a breeze, and Stemcor could easily collate and compare data to find the ideal supplier or customer for a particular product. By being able to match geographical and price data, they were able to upgrade to a new level of efficiency, and the scores of happy partners that Stemcor has been dealing with long-term attests to the utility of SAP Business One's customer relations management suite.

# Experience Working with Silver Touch

One can get an inkling of the sheer diversity, scale, and scope of Stemcor's requirements from the above, and as such, no stock software solution would work for them. This is where Silver Touch Technologies came in, and they proved to be the right software partner to help take Stemcor into the Information Age. Silver Touch Technologies already had oodles of experience working in different countries, sectors, and software, so they had a large team with the precise skill set required for such a complex job.

The Silver Touch team handled the whole process, from initial consulting, road mapping, onsite inspection, customization, employee training, and after-sales support, with a minimum of intervention from Stemcor. Their proactive solutions combined with their experience meant they were able to help Stemcor hit the ground running in an extremely short time span, and their employees had minimal adjustment pains during implementation.

On top of this, their 24/7 availability for technical support, updates, and further tweaks meant that the partnership with Stemcor has let it synergize all its different departments and truly develop its business operations to their full potential. Stemcor has noted the steep rise in efficiency, profitability, and employee productivity since the implementation of SAP Business One and projects that these will only go up as time passes.



+1 (201) 331-9818



[www.silvertouchinc.com](http://www.silvertouchinc.com)



[info@silvertouch.com](mailto:info@silvertouch.com)