



Improving On-Time Delivery at Wheeling-Pittsburgh Steel

Realizing it needed to improve on-time shipping and reduce inventory to maintain competitive advantage, Wheeling-Pittsburgh Steel Corporation embarked on a value chain management initiative using i2 solutions. Through its implementation, Wheeling-Pitt significantly increased on-time shipments, elevated customer satisfaction, and reduced inventory levels.

Despite being well-respected with net sales of \$1.7 billion and an annual production capacity of 2.4 million tons, Wheeling-Pittsburgh Steel Corporation realized it had much to do to maintain its market leadership position.

“We absolutely needed to improve on-time shipping and to reduce our inventory,” said Dave Waller, Wheeling-Pitt’s General Manager, Supply Chain Business Systems. “We were not competitive with our on-time shipping, and, as a result, we were losing our strong position in the marketplace. At the same time, we had too much capital tied up in high inventory levels.”

Why i2?

Wheeling-Pitt did not have to look far to find a solution to its problem. In fact, because of the unique business environment in which Wheeling-Pitt operates, it actually sought advice from two of its competitors, Bethlehem Steel and USX Corp. Both steel producers have enjoyed success using i2 Factory Planner.™

“After talking with executives at both companies and touring Bethlehem Steel, we were able to see firsthand the difference i2 solutions were making on the bottom line,” Waller said. “Seeing the i2 solution in a comparable production environment convinced us that it was the right factory planning solution for our company. The product has a proven track record in the steel industry, and accurately models the business and production requirements of steelmakers.”



WLPX

Challenges

- Maintain market leadership position by improving on-time shipping
- Free up capital through inventory reductions
- Identify solution provider with proven track record in the steel industry

Solutions

- Implement capacity planning
- Implement individual order planning
- Generate advanced production plans

Results

- Improved on-time deliveries from 50% to 80%
- Decreased inventory levels by 30%
- Reduced cycle time by 10%–20%

Company Description

Wheeling-Pittsburgh Steel Corporation is the ninth-largest integrated steel producer in the United States. Based in Wheeling, W.Va., the company operates six production facilities. Wheeling-Pitt produces flat-rolled carbon steel products, including hot-rolled, cold-rolled, hot-dipped galvanized, electro-galvanized black plate, and electrolytic tinplate.

i2 provides software and services that help businesses make a lasting, positive impact on their profitability. Through solutions for value chain management, i2 delivers innovative ways to increase efficiency and velocity, within the enterprise and across all of its suppliers, partners, and customers.

i2's Contribution

Wheeling-Pitt's Director of Business Planning, Steve Ross, said the steel producer is running Factory Planner, part of the i2 Supply Chain Management™ suite of solutions, as a capacity planner and as an individual order planner. The value chain management solution generates plans for the company's five flat-rolled carbon steel facilities located in Ohio and Pennsylvania.

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***— Steve Ross, Director of Business Planning,
Wheeling-Pittsburgh Steel Corporation Technology***



“i2 solutions generate an order plan, then transfer the information to all of our production facilities,”

Ross said. “Our individual planners back at the plants work to meet the dates outlined in those plans. It’s what we like to call a closed-loop system.”

Wheeling-Pittsburgh Steel's Results

After only one year, Factory Planner produced some significant improvements for Wheeling-Pitt. On-time shipping, once a thorn in the sides of company executives, is now a selling point for the steel producer. The number of orders shipped on time has increased from approximately 50 percent to 80 percent.

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Another significant improvement is the reduction in work-in-process inventory. Those inventory levels have dropped by 30 percent, while cycle time has been reduced correspondingly on some products by 10 percent to 20 percent.

Wheeling-Pitt executives chose Factory Planner because they were confident it could achieve those goals. But they soon learned that i2 solutions provided a pleasantly surprising result in the area of quality improvement.

“Quality improvement goes hand in hand with inventory reduction,” Ross said. “Because of the size and bulk of our inventory, it can be easily damaged in handling.

As we’ve reduced our touch time and the time the steel is being warehoused, there’s less danger that the product will be damaged.”



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