

Document Management Case Study

Summary

Duggan Steel improves organisational efficiency and reduces costs through File Stream EDM and Kodak scanner technology:

- Full enterprise-wide File Stream Document Management solution installed and in use by staff within 2 months
- Return on capital invested expected within 15 months
- New system holds 4,000 steel test certificates and 200,000 sales related documents produced annually, along with 4,000 supplier invoices

About the Client

One of Ireland's largest steel stock holding companies and a top 3 supplier of steel roofing and cladding in the country, Duggan Steel Group is privately owned, headquartered in Kilkenny, with depots in Cork and Limerick. Founded in 1976, it employs 120 staff in three divisions: Duggan Steel (steel stockholding¹), Duggan Profiling (steel sheet roof and wall products²) and Duggan Service Centre (steel sheet slitting, blanking and recoiling³). Across the group, 100,000 tonnes of steel based product is sold annually, with some 20,000 tonnes always in stock ready to be delivered.

James Flavin, Duggan Steel's group IT manager, says, "Steel is bought from all over Europe, India and south west China, and based on our 30 year plus experience in the steel business coupled with thorough forecasting, we ensure that the right stock is always available to customers at the right time.

This means we can provide a JIT like service⁴, normally delivering anywhere in Ireland within 24 hours of an order which few competitors can achieve."

¹ Predominately the supply of made to order steel beams to the construction industry

² These are used to make agricultural barns and sheds, venting ducks and so on.

³ The company takes light gauge 1 mm to 5mm thick coiled steel, cuts it to length and makes it into various products for customers.

⁴ Just in Time

The Problem

Prior to starting the EDM (Electronic Document Management) project, Duggan Steel wanted to install a new company-wide barcoding system so that steel received on site could be assigned a unique bale number (an identification number) and then all documentation linked to it. Flavin explains, "When steel arrives from (say) China, it has a supplier number on it which is logged onto the Sea Change ERP system listing the product and tonnage, and a bale ID and barcode are produced. The initial batch may have an ID of say 50,000/1, and then every product produced from it is given a sequential number, so 50,000/2, 50,000/3 and so on. With a barcode stuck to each item, this allows us to trace back to the original piece of steel, the supplier and the test certificate when required."

Easy management and quicker retrieval of steel test certificates was the initial driver behind investing in an EDM and scanner solution. Test certificates document the exact chemical and mechanical properties of steel batches and associated products made from it. Flavin explains, "Builders want to know that the steel they are buying is strong enough based on its iron, zinc and copper make up, for example, and we



process 80 to 90 test certificates a week, totalling over 4,000 annually. As various products may be covered by one certificate and, as we have to keep this information for up to 7 years, we were storing thousands of pieces of paper which made it difficult and time consuming to retrieve information when details had to be checked for customers.”

The Solution

Duggan Steel Group installed Filestream’s electronic document management (EDM) system and eight duplex i1220 workgroup scanners to manage the vast amount of paperwork generated as part of ongoing operations supplying steel and steel-related products to the whole of Ireland’s agricultural and construction industries. The project has been completed by File Stream reseller, Woodsoft Limited.

Eight duplex Kodak i1220 workgroup scanners have been installed at Duggan Steel’s main sites in the Kilkenny area (Tullamaine and Kilkenny City) for use by staff involved in purchasing, sales, stock control and administration, in a deal worth £35,000⁵.

Jonathan Tripp, Kodak’s document imaging marketing manager, UK & EAMER, said, “While extremely compact, the Kodak i1220 packs a performance punch coping with 30 pages per minute or up to 1,500 pages daily, all backed by a 3year warranty. Easy to use, feature rich, with Perfect Page image quality meaning rescanning is virtually unheard of, we’re delighted that Duggan Steel is using Kodak scanners to improve its organisational performance.”

Flavin says, “Compared to the flatbed scanners we originally had, the Kodak scanners are compact, reliable, easily handle the paper throughput quantities and offer great quality images even if set at low dpi.”

Running on two dedicated Microsoft SQL Servers, one based at each main Kilkenny site for resilience, the File Stream EDM system and Kodak scanners are radically changing the way that Duggan Steel operates day-to-day, delivering considerable organisational efficiencies and cost savings.

⁵ Includes both software and hardware

The Benefits of Electronic Document Management

In the centralised purchasing department, a laborious and inefficient paper chain of handling some 4,000 supplier invoices annually has been removed. Flavin explains, “Historically, a supplier’s invoice would arrive at HQ, be sent via courier or internal post to the respective businesses for sign off and then be returned back for final payment and filing – a process which could take up to 3 weeks. Now, this is completely automated, utilising the workflow incorporated into File Stream Document Management. So, when an invoice is received, it’s scanned and sent instantly to a manager with an onscreen ‘pop up’ and email alerting its arrival. Staff can then digitally authorise payment, and the document stored on the system.”

Sales staff are the biggest users of the scanners as there are six documents associated with each sale, four of which are scanned - picking list, loading docket, delivery docket, and proof of delivery form. The other two items, invoice and statement, are produced automatically by the Sea Change ERP system and stored straight into File Stream Document Management. As Duggan Steel produces some 50,000 sales invoices per annum, this means 200,000 scanned items yearly.

In terms of stock control, all test certificates are now scanned for easy search and retrieval, along with



bale IDs, in case of subsequent damage. Similarly, from an administrative perspective, wage slips, and supplier credit applications are today stored electronically.

The EDM project allows Duggan Steel to immediately shred paperwork once it has been scanned, with only the customer signed proof of delivery docket now kept for 7 years for legal reasons. The company is back scanning 'old' documentation into the system and shredding this material as well. In the five months from January, 26,000 documents per month have been scanned, equating to 130,000 older items now available online.

Jolyon Wilkinson, Filestream's sales director, explains other benefits, "Duggan Steel has been able to reduce the number of people involved in paperwork management from three to one, with the other staff redeployed elsewhere in the business. Paper produced as part of day-to-day trading has reduced considerably, and the speed of information retrieval is almost instantaneous whereas previously it was estimated that 14 hours per week were spent by administrative staff looking for paperwork. The company has been able to convert storage areas into new office space, and reckons that, given these benefits, that the system will pay for itself within 15 months."

Similarly, sales staff now have up-to-date information available securely on their laptops when visiting clients which makes them far more efficient and effective.

Moving forward, Duggan Steel will add additional workflow capabilities to File Stream Document Management to improve staff collaboration in other departments and is considering offering searchable CD ROMs to larger clients containing statements along with other client specific information.

Flavin concludes, "The success of the whole project is evidenced by the fact that staff were enthusiastic to work with the new system. We went from no document management to an enterprise system within 2 months and couldn't have done this if the File Stream Document Management software and Kodak scanners weren't easy to use. That says it all."

Why File Stream Document Management?

Following a competitive tender, Duggan Steel selected Filestream's EDM solution given it offered value for money, had the capability to add bar coding, workflow and reporting modules to the system (all of which have been purchased) and used a familiar Windows based GUI so that minimal user training would be required. Responsive reseller support from Woodsoft was also a factor in the choice.