



## IFS APPLICATIONS™ SUPPORTS MANAGEMENT AT HUTMEN

**Polish-based Hutmen Group has been using IFS Applications™ since 1999/2000 to streamline its manufacturing processes. Now the company's corporate ERP solution, IFS Applications™ continues to support Hutmen in its everyday operations and with its long-term strategic planning.**

### BUSINESS SOFTWARE VETERAN

Hutmen S.A. has been using IT tools to support its business activities for over forty years, setting up a computer center as early as 1967. In the 1980s basic areas of business operations were already computerized, with each IT solution being designed or adjusted in house to the needs of the company.

The economic and political changes of the late 1980s and the gradual opening of the market brought open competition for the first time. Hutmen quickly saw that the monthly manufacturing and sales reports generated by the existing IT system as paper printouts were no longer sufficient. Survival in the new market reality required precise cost tracking and swift reactions to changes in the market. To maintain its strong market position, Hutmen needed to implement modern ERP software. A review of the capabilities of several MRP II systems offered on the Polish market was started. In October 1997 IFS Applications™ was selected.

"This decision was preceded by thorough preparation. One important criterion for selecting IFS Applications™ was its component-based architecture, streamlining customization to our needs, and the high level of agility of both the solution and its supplier," Radoslaw Michalski, Director of IT of Hutmen S.A. recalls.

### IMPLEMENTATION AND DEVELOPMENT OF IFS APPLICATIONS™

To begin with, IFS Financials™ and IFS Distribution™ were implemented. Implementation commenced in 1999, and the solution went live in 2000.

"Completing this project was like skipping two epochs in the generation and processing of information and its use in decision processes at various levels of the management structure," says Kazimierz Śmigielski, CEO of Hutmen S.A.

Further stages of implementation encompassed IFS Manufacturing™, IFS Human Resources™ and IFS Payroll™ components. Implementing support for manufacturing management brought Hutmen a more precise allocation of costs in profit and cost centers and resulted in a significant increase in the quality of data related to production costs. Detailed information about the profitability of individual product groups also became available for the first time.

In 2004 the system was updated to the next version of IFS Applications™. During the same year the company decided to implement IFS Applications™

### ABOUT THE HUTMEN GROUP

Hutmen is one of the largest manufacturers of copper products in Central and Eastern Europe. It is the leader of an industrial group that include WM Dzierżycze S.A., Susmed Sp. z o.o., Temer Sp. z o.o., MBO-Hutmen jv. Sp. z o.o., Katech-Hutmen Sp. z o.o. and Norblin S. A.

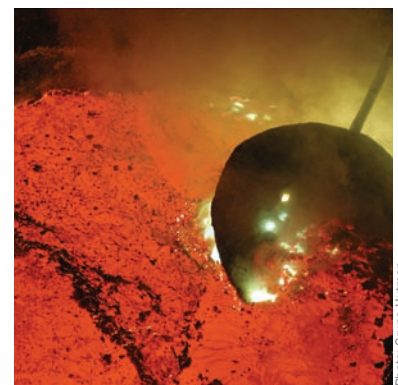


Photo: Grupa Hutmen



as its corporate ERP solution for the entire Hutmen Group. The implementation project was divided into three phases. The first phase included the financial, accounting and logistics systems; the second phase saw the implementation of software for managing manufacturing, human resources and payroll. The main goals of this project were cost reduction through central data processing, an increased ability to execute common production and sales policies throughout the Group, and the integration of employees around common business objectives. The implementation of the first phase was completed in a record time of 5 months, a significant achievement considering the scope of the project—the implementation of unified procedures in large, heterogeneous organizations, the involvement of numerous, distributed teams and the need to reconcile the diverse, and often contradictory, goals of individual companies. The subsequent phase of the project was spread over 2005 and 2006.

“In plants belonging to the copper group, diverse IT solutions, which could not be integrated, were ready in use. They represented diverse levels of technical and functional development,” Radoslaw Michalski explains. “Fortunately, the implementation of IFS Applications™ changed this situation”.

Throughout the project, IFS implementation™ methodology was used.

### BUSINESS-CRITICAL BENEFITS

IFS Applications™ allows Hutmen to precisely register materials and to manage production slots, including detailed description of the production technology. Operational production management and minute cost analysis make it possible to prepare accurate estimations of production costs and therefore to price the final product. This is especially important in the market in which Hutmen is active, where margins are normally quite low but the risk, related to fluctuations in currency exchange rates and the price of copper on London Metal Exchange, is very high. The implementation of standardized ERP software in manufacturing subsidiaries of the group also enables comparative analyses to be prepared.

For both the management board and the IT department the key aspect is the ability to monitor operational costs on an ongoing basis.

### PLANS FOR THE FUTURE

Easier access to managerial information is becoming more and more crucial for Hutmen. This is why the company decided to implement IFS/Personal Portal™ for users of IFS Applications™ in managerial positions. IFS/Personal Portal™ changes the way of using the information gathered in the system. Users get a web interface through which they can easily access key data in one place.

The company also plans to create a digital document management system using IFS Applications™. “This will be extremely useful to us since individual plants are geographically spread,” Radoslaw Michalski explains. “Looking at the flow of documents in the company, we concluded that there was no better solution than workflow automation and the implementation of digital signatures”.

### BENEFITS

- Data consistency throughout the group
- Ongoing access to all management information
- Improvements in the production process
- Ability to monitor production costs
- Ability to assess profitability of manufacturing individual products

### SOFTWARE

IFS Financials™

IFS Distribution™

IFS Manufacturing™

IFS Human Resources™

IFS Payroll™

IFS/Personal Portal™



Photo: Grupa Hutmen