

Case Study: Terex (eCost)



The Customer

Terex is a Fortune 500 company, ranked 4th on the 2007 Barron's 500 America's Best Companies list. It is a diversified global manufacturer with over 50 brands spanning a range of industries including: construction, infrastructure, quarrying, recycling, surface mining, shipping, transportation, refining, utility, and maintenance industries. Terex has successfully achieved 28% average annual growth rate over the last 10 years, with net sales of \$7.6 billion in 2006.

The Challenge

Historically, Terex supply chain decisions have been made from an individual business unit perspective. This provided limited opportunity to leverage Terex's size. To ensure products are manufactured at best in class levels regarding costs, quality and delivery methods, Terex decided to focus on gaining efficiencies with suppliers based on the company's global purchasing power and resources in a way that transcends individual business units.

With an objective to increase global purchasing leverage as a unified company, Terex implemented the eCost application to provide spend visibility across the Terex Group. Managed by the eCost team in Dungannon, Northern Ireland, the system captures direct material spend transactions from over 10,000 suppliers and 500,000 different part codes from a range of ERP systems located in 35 business units worldwide.

The ability to accurately analyze direct material spend of over 3 million transactions per annum (currently with a value of \$5.5 billion) was hindered by files containing incorrect, missing, obsolete and unstructured data. The cleansing and validation of results was manually processed.

The challenge was to achieve an accurate and standardized format of global spend data on a more regular basis. Specifically this meant automating the validation and uploading of files from various remote Terex operations units around the world and then providing a solution for the cleansing, matching and enrichment of the data before processing by the eCost application.

"Terex acquired a powerful, robust and secure data quality application which processes high volumes of sensitive data quickly and accurately without jeopardizing our data. The simplicity of the application has been embraced by its users, whilst its best price performance ratio together with its ability to be integrated with in-house applications has been welcomed by management. Throughout the project Dataactics consistently provided a flexible support service and imaginative solutions to match our unique requirements."

Jarlath Trainor
eCost Data Warehouse Engineer
Terex

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The Solution

Dataactics was selected by Terex to implement a fully integrated web enabled Data Quality Firewall and File Validation tool.

The web enabled Data Quality Firewall allows eCost coordinators worldwide to upload their files for auditing at anytime of the day at will, enabling a faster turnaround of remotely validated and uploaded business unit data. This secure application improves the quality of data being submitted to the eCost application and automatically produces an exception report alerting users to files that contain incorrect or missing data. In addition the report highlights where the errors are located.

To maintain an ongoing high level of data quality, Dataactics technology cleanses, standardizes and deduplicates supplier spend data in an automated manner. This removes the need to manually validate and authorize data which can be painstaking and prolonged due to the effort involved and further complicated by the different time zones in which the various operating units reside. This cleaner data is enabling the faster implementation of the Terex Corporate Sourcing Strategy.

Applications:

Business Intelligence

Data Quality Management

Master Data Management

Product Data Management

Purchasing Data Consolidation

Regulatory Compliance

Secure Vetting

Single View of Customer

The Benefits

- Increase global purchasing leverage
- Optimize inventory by reducing duplication
- Identify 'best fit' suppliers
- View and control global spend
- Conduct spend analysis frequently in less time and with minimum cost
- Produce detailed reports to support business intelligence
- Reduce manual processes, thereby reducing cost and improving accuracy

Jarlath Trainor, eCost Data Warehouse Engineer comments "Terex acquired a powerful, robust and secure data quality application which processes high volumes of sensitive data quickly and accurately without jeopardizing our data. The simplicity of the application has been embraced by its users, whilst its best price performance ratio together with its ability to be integrated with in-house applications has been welcomed by management. Throughout the project Dataactics consistently provided a flexible support service and imaginative solutions to match our unique requirements."

Terex and Dataactics are now actively working on other projects within Terex Corporation as part of its drive for Operational Excellence.

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