

Case Study: Terex (Global Benefit Tracking)



The Customer

Terex, a diversified global manufacturer, has net sales of \$9.1 billion in 2007. Ranked 287 in the Fortune 500, Terex operates in 5 business segments: Terex Aerial Work Platforms, Terex Construction, Terex Cranes, Terex Materials Processing & Mining, and Terex Roadbuilding, Utility Products and Other.

Monitoring and controlling procurement spend across the Terex Group remains a key challenge for this highly acquisitive organization. To rationalize costs and increase purchasing leverage Terex has incorporated a spend visibility initiative into its supply chain - eCost application.

Fully integrated with Dataactics' web enabled Data Quality Firewall and File Validation tool, the eCost application empowered Terex to access reliable and timely direct material spend of 4 million transactions per annum with a current value of \$6.3billion.

"We chose Dataactics because of its Can Do attitude. It has now delivered three projects on time and on budget."

Michael McGrath
Director, Global Sourcing, Hydraulics
Terex

The Challenge

As an extension of the eCost application, Terex implemented Global Benefit Tracking (GBT) to track savings and losses on direct material purchases across Terex.

To quantify savings and expenditure, Terex compared original and revised part-plan data. This data contained the required metrics for comparative analysis specifically supplier name, description code and unit of measure, together with direct and indirect costs.

Analyzing part-plan data accurately and effectively was virtually impossible. Previously data from across the 34 business units was emailed to the eCost team for analysis and reporting purposes. Acquiring the data was a laborious and frustrating task further complicated with business units located in different time zones. Once captured there was no quick and effective means to verify whether the data was accurate, weakening the validity of the Business Intelligence (BI) reports produced by the eCost application.

To maximize savings achieved through its supply chain, it was imperative that part-plan data be validated and uploaded instantly to produce real time supplier pricing for comparative analysis within the eCost application.

UK Headquarters

Innovation Centre, Queens Road, Belfast, BT3 9DT
Tel: +44 (0) 28 9078 5840 Fax: +44 (0) 28 9078 5841
Email: info@dataactics.com www.dataactics.com

USA Headquarters

One South Dearborn Suite 2100, Chicago, IL 60603
Tel: +1 312 212 4363 Fax: +1 312 212 4401
Email: info@dataactics.com www.dataactics.com

The Solution

Following on from the successful delivery of the Data Quality Firewall and File Validation tool, Terex contracted Dataactics, specialist in data quality solutions, to effectively track the savings and expenditure obtained across its global supply chain.

Renowned for its flexible and highly scalable software, Dataactics implemented a secure web enabled solution for the remote upload and validation of part-plans.

The automated validation of format and verification of content reduced delays imposed by a manual system across varying time zones. To satisfy the global nature of the business, the solution was designed to manage data in multiple languages 24/7.

The solution has had a positive impact upon both strategic and operational functions. It released valuable labor resources for more profitable tasks. Specifically the time consuming process of manually coordinating and acquiring part-plan data from across the Terex Group was replaced with a simple, efficient and automated facility.

Now when new pricing strategies are agreed, users simply record the accurate part-plan data in a consistent format, which feed directly into the eCost application. Furthermore the solution facilitated the ownership of business data by business unit away from the IT department.

Fundamentally with reliable and timely data entering eCost, its output of Business Intelligence reports is a trustworthy source for founding new business initiatives. This knowledge capital will build over time to enable analysis of the effectiveness and costs of working with particular suppliers and will allow Terex to increase its purchasing leverage.

The Benefits

- Reduce direct global material spend
- Identify and implement best pricing strategy with immediate effect
- Increase agility to respond quickly to adverse cost pressures
- Enhance visibility and transparency of cost challenges
- Release labour resources for more profitable tasks

Michel McGrath, Director, Global Sourcing, Hydraulics, commented "We chose Dataactics because of its Can Do attitude."

Applications:

Business Intelligence

Data Quality Management

Master Data Management

Product Data Management

Purchasing Data Consolidation

Regulatory Compliance

Secure Vetting

Single View of Customer

UK Headquarters

Innovation Centre, Queens Road, Belfast, BT3 9DT
Tel: +44 (0) 28 9078 5840 Fax: +44 (0) 28 9078 5841
Email: info@dataactics.com www.dataactics.com

USA Headquarters

One South Dearborn Suite 2100, Chicago, IL 60603
Tel: +1 312 212 4363 Fax: +1 312 212 4401
Email: info@dataactics.com www.dataactics.com