



## Oracle

## Business Intelligence Success:

## Manufacturing

### Procurement & Spend Analytics for Better Insight

**Industry:** Aluminum Manufacturing

**Annual Revenue:** Over \$4 Billion

**Solution:** OBIEE Procurement and Spend Analytics

#### CLIENT

Aleris International, Inc., is a global leader in the production and sale of aluminum rolled and extruded products, recycled aluminum, and specifications alloy manufacturing. With over 6,500 employees, Aleris operates more than 40 production facilities in China, North and South America, and Europe. Aleris emerged from Chapter 11 bankruptcy in June 2010 after initially filing in early 2009. A global leader in the aluminum industry, Aleris boasts approximately \$4B in annual revenue.

#### SOLUTION

Through internal growth, and mergers and acquisitions, Aleris inadvertently created a reporting and analysis problem... they had a mixture of source systems and no data warehouse, which left the company exposed when the global auto and aircraft industries contracted following the 2008 financial crisis. A lack of disciplined purchasing procedures and controls made a bad situation worse. Aleris had poor visibility into their \$350M annual, non-metals procurement, where 92% of the spend was unclassified.

Reporting largely from spreadsheets generated from Oracle E-Business Suite report extracts, Aleris' procurement organization lacked timely visibility into the company's contract spend, process breakdowns, and procurement waste. A lack of nonstandard global hierarchies for suppliers and products meant very little leverage for consolidated, procurement price negotiation. A large percentage of off-contract spend was attributable to poorly enforced policies. Overall, Aleris needed to improve operational performance in a tight, highly scrutinized financial environment. The new procurement team needed quick visibility, to reinforce their enhanced procedures and controls.

Lean on internal resources, and short on time, Aleris needed rapid visibility into purchasing details in order to save their bottom line - Enter US-Analytics and Oracle's Procurement and Spend Analytics Application, a pre-built BI application.

**"This is the greatest piece of software ever."**

- Director of Procurement, Aleris International, Inc.

## **SOLUTION**

Urgent business circumstances demanded immediate attention, and the large collection of spreadsheets for operational reporting wasn't getting the job done efficiently. Lean on internal resources, and short on time, Aleris needed rapid visibility into purchasing details in order to save their bottom line. Enter US-Analytics and Oracle's Procurement and Spend Analytics Application, a pre-built Business Intelligence application.

The rapid deployment (6 months) of OBIEE Procurement and Spend Analytics, included significant customizations in the supplier category and product UNSPSC (United Nations Standard Products and Services) code. The joint US-Analytics and Aleris project teams utilized a phased, iterative development approach, which allowed Aleris users to participate early and often in the deployment.

## **RESULT**

After implementation, 100% of the Aleris Procurement team was able to use the new system with ease, helping Aleris gain better insight into how both direct and indirect spending occurred across the organization. Operational reporting with real-time data now showcases the most commonly purchased commodities. Combined with better visibility into their vendor performance, Aleris has improved their contract management and pricing leverage, improving the quality of their business decisions, and raising their ROI. Aleris reduced their unclassified non-metal spend from over 92% to less than .50%. Aleris now utilizes OBIEE as their enterprise BI technology, with additional OBI applications deployed for sales analytics, and additional OBI Applications underway across the company.

**Questions?** Contact US-Analytics at [sales@us-analytics.com](mailto:sales@us-analytics.com)

