

IFS Supports Cognor Group



Implementation of IFS, an ERP solution, is one of the most important IT projects in the Cognor Group (formerly Złomrex). The system has been implemented in all leading companies of the group since 2009.

In the 1990s, when Złomrex (now Cognor) dealt exclusively with the purchase of scrap iron and nonferrous metals, there was no need to use dedicated management support tools. In the late 1990s, business expanded and the company began to sell custom products manufactured by steel mills.

“Although back then several Złomrex branches in Poland were not using IT systems at all, the company did not feel the need to optimize business by investing in IT. This mode of operation was satisfactory until the acquisition of the rolling mill, Walcownia Bruzdowa in Zawiercie. Then Złomrex began to operate as a quasi-production company. Our former solution was not working very well in this area, especially in terms of inventory management and pricing,” says Dominik Barszcz, Chief Accountant and IT Director, Cognor Group, responsible for the implementation of IFS.

In late 2003 and early 2004, Złomrex became a limited liability company, which brought about a change in the way the company did business. This was followed by the acquisition of other entities, including Ferrostal and Łabędy steel mills. The dynamic development of the group created the need to computerize and unify processes and data.

“The rolling mill and steel mill provided the services, while Złomrex dealt with trading. Some of the processes were carried out and registered in Poraj, but the manufacturing and inventory processes were handled separately by Ferrostal and Walcownia, using tools that were not integrated. For this reason, we had to make double or even multiple records of the same business transactions, which slowed down our processes because we had to make sure that everything matched. That’s why we began searching for a comprehensive ERP system. We opted for IFS from an array of the solutions offered by various ERP vendors,” explains Dominik Barszcz.

Knowledge Transfer Facilitates Implementation

In the first stage of implementation, one of the most important tasks was the computerization of some 20 branches involved in trading scrap. Until then, all documents were created manually. For supply chain management, the group used a web-based proprietary system—Awizo. The functionality of the system was

About Cognor Group

Cognor S.A. was founded in 1991 and initially focused on trading steel mill products. The company has been listed on the Warsaw Stock Exchange since 1994. In 2006, Cognor became part of a larger industrial group, Złomrex S.A., which manufactures steel mill products and trades metal scrap.

Now, after an internal reorganization in 2010–2011, Cognor S.A. has become the holding company of the group, replacing Złomrex S.A. The group includes several companies operating mainly in Poland. The Cognor Group Production Division, which includes Huta Stali Jakościowych S.A. based in Stalowa Wola and Ferrostal Łabędy Sp. z o.o. based in Gliwice, specializes in manufacturing semi-finished and finished steel products. The Raw Materials Division, which includes Złomrex Metal Sp. z o.o. based in Poraj, specializes in the purchase, processing and sales of steel and nonferrous metal scrap.

<https://www.cognorholding.eu/>



transferred to the distribution component of IFS. It was then used to fully integrate scrap trading process—from ordering, supply logistics, collection and classification within the plant, to processing scrap into steel billets, and then to finished goods.

How to design and implement inventory pricing was another problem. This was particularly important, because the Cognor Group acquired the steelworks Huta Stali Jakościowych in Stalowa Wola, where the cost control process was crucial because the works produced high-quality steel.

By 2007, IFS was launched in all of the leading companies of the Cognor Group: Złomrex and Złomrex Metal, Walcownia Bruzdowa, Ferrostal Łabędy, Huta Stali Jakościowych, Odlewnia Metali Szopienice and Cognor Górnośląski. A systematic roll-out of the solution was done in 2008–2009, in a dozen or so commercial warehouses belonging to several companies from the distribution division, including Cognor and Stalexport.

“With the launch of IFS in Złomrex, Ferrostal and Walcownia in early 2007, and then in other entities, we have gained a lot of insight into the system and its implementation methodology, thanks to effective cooperation with IFS consultants. So, we weren’t afraid to implement the system on our own in the other companies,” explains Dominik Barszcz.

Core Business Enhancements Throughout the Group

IFS has improved the management of all the core business areas of the Cognor Group, including finance, manufacturing, distribution, maintenance management, human resources and payroll.

IFS provided automatic registration of most business events, multi-dimensional accounts plan analysis, as well as cost settlement. This solution ensured data integrity, standardization of dimensions and accounting processes as well as support for financial data consolidation.

IFS also made it possible for Cognor to unify and integrate processes handled by several entities in the group, which in turn facilitated process analysis by management. It has also brought increased security to the company’s trading operations.

The implementation of IFS provided full support for the steelworks, rolling mill and foundry departments, taking into account the specificity of the products and the needs for material requirements planning and deviation analysis. It has also provided improved cost calculation and tracking, and supported the quality management process.

The IFS solution has made it possible to manage repair and investment orders and to report equipment downtime and failure. This allows a more efficient management of infrastructure and facilitates recording and settlement of costs.

In addition to the basic HR support, the HR and payroll solution has enabled the use of various pay systems in the companies as well as the integration of time reporting with time reporting equipment.

Benefits

- Ongoing access to management information
- Enhanced group management in finance and control
- Streamlined document workflows and processing
- Secure data integrity across the group
- Ability to monitor production costs
- Better maintenance management
- Enhanced quality management

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Dominik Barszcz, Chief Accountant and IT Director, Cognor S.A.

Find out more

Further information contact your local IFS office or visit our web site, ifs.com

