Customer Profile

RPM International saves time and money with Infor Optiva

Facts at a glance

Product: Infor Optiva
Industry: Chemicals
Country: USA

"Infor Optiva improves our effectiveness and ensures that we can continuously improve our bottom line."

—Paul Hoogenboom, CIO and VP of Operations, RPM International Inc.

About the company

RPM International Inc., a holding company, owns subsidiaries that are world leaders in specialty coatings and sealants serving both industrial and consumer markets. RPM's industrial products include roofing systems, sealants, corrosion control coatings, flooring coatings, and specialty chemicals. Industrial brands include Stonhard, Tremco, illbruck, Carboline, Day-Glo, Euco, and Dryvit. RPM's consumer products are used by professionals and do-it-yourselfers for home maintenance and improvement, automotive and boat repair and maintenance, and by hobbyists. Consumer brands include Zinsser, Rust-Oleum, DAP, Varathane, Bondo, and Testors. To learn more, go to: www.rpminc.com/.

Setting the strategy

"Our core issue was, how do we know if two materials are the same? We realized we needed a system that had a native understanding of material properties for the chemical industry, and this led us to Infor™," says Paul Hoogenboom, CIO and VP of operations at RPM. "We were already using Infor software as a formulation and product lifecycle management system, and we realized it was the only solution that could help us address this problem as well."

Getting business specific

A world leader in specialty finishes with more than 30 separate business units, including well-known brands such as Bondo and Rust-Oleum, RPM needed a technology solution that would allow it to continue improving its purchasing practices. As part of RPM's corporate strategy, each business unit functions independently. These business units often use similar materials and/or suppliers within product development. For many years, RPM had been aggregating material purchasing where the effort to aggregate was easiest and where there was substantial return. With Infor Optiva, RPM is able to pursue cost savings from aggregating a much greater portfolio of materials.

To capitalize on the opportunity to purchase materials more effectively, RPM needed a product lifecycle management (PLM) tool that could work across all business units, without replacing or re-implementing the more than 17 ERP systems currently in place. This system needed to consolidate raw material, packaging, and component items from all ERP systems into a consistent format and cross-reference chemically and functionally equivalent materials. Using parametric search, visual analysis tools, and automated business processes, RPM could identify, by commodity group, similar materials and/or suppliers. Once the materials are identified, a financial analysis per business unit is performed to see if aggregation should yield savings. When commercially proven, the next step is to perform a technical evaluation to see if the material substitution or consolidation will meet the product specification.

Based on its requirements to integrate and accelerate sourcing across business units, RPM examined building its own customized database and developing a more robust ERP system, leveraging its installed ERP vendors such as SAP, J.D. Edwards, and Infor. Ultimately, after careful consideration, RPM selected Infor Optiva to interface the ERP systems and existing Infor applications within distinct business units.

Seeing results

"Infor Optiva permits us to intelligently deal with most of the materials purchased annually and the far more voluminous detail of experimental materials under consideration," says Hoogenboom. "The bottom line is that this solution is vital to our ongoing objective of continuously improving our gross margins and net income."

Within four months, RPM went live with the Infor solution in its first commodity group, and was live in all of the groups within the next six months. The solution was able to aggregate the data, map to corporate items, and start the rationalization process. As a result, the deployments helped further define seven best practices that are used throughout each division and helped streamline the new material introduction and alternate plant certification processes.

With Optiva in place, RPM has a single view of raw materials used across the extended organization. This provides the company with new levels of efficiency that result in real savings to the bottom line and also creates time savings within each business unit as the analysis and acquisition of materials is streamlined.

Doing business better

"We are attacking material costs using the unique capabilities of Infor Optiva, which provides visibility and control of raw materials across our manufacturing systems," says Hoogenboom. "A substantial amount of our revenue dollars are spent on raw materials, components, and packaging. Infor Optiva improves our effectiveness and ensures that we can continuously improve our bottom line."

641 Avenue of the Americas
New York, NY 10011
800-260-2640
infor.com

About Infor

Infor is the world's third-largest supplier of enterprise applications and services, helping more than 70,000 large and mid-size companies improve operations and drive growth across numerous industry sectors. To learn more about Infor, please visit www.infor.com.

Copyright© 2013 Infor. All rights reserved. The word and design marks set forth herein are trademarks and/or registered trademarks of Infor and/or related affiliates and subsidiaries. All other trademarks listed herein are the property of their respective owners. This document is provided for informational purposes only and does not constitute a commitment to you in any way. The information, products and services described herein are subject to change at any time without notice. www.infor.com.

INF1279932-1294063-EN-US-0213-2