

With Qlik AB Umega managed to free up more than EUR 100.000 in working capital

About AB Umega

AB Umega is the largest metal processing company in the Baltic States owning three factories. Two of the factories are in Utena, where one of them produces agricultural trailers and biofuel boilers, and the other one - laboratory ovens. The largest factory, the so-called "Vienybė" (English: Unity) division, is in Ukmergė. Here domestic soli fuel boilers, fireplaces, sauna stoves, also valves and blowers are produced. Custom manufacturing is best developed in Ukmergė: here various parts of furniture and cars, elevator components and many other metal items ordered by Western European



companies are made.

Determination to analyse business processes modernly has overpowered

AB Umega uses Oracle E-Business Suite business management system, the development of which required great budgets, thus a decision was made to completely terminate the development works during the crisis of 2008. At that time, business

analysis penetration in AB Umeda was very limited: consumers used to receive information from text reports compiled by Oracle BMS, having converted them to Excel documents. Reports were pre-formulated and pre-defined: the presentation of data to consumers in the necessary sections, required long hours of manual work. Such a procedure could not have lasted, thus in 2014 a search for a system, which could present data accumulated in Oracle MBS to consumers automatically, when they are needed, at different sections, in a manner understandable and clear to all, was started. This is how Umega discovered QlikView.

"One of strategic goals was freeing up the time of sales managers for the search of new customers, development and negotiations, and leaving manual work for automated solutions with QlikView. I believe we were very successful in doing so!"

Aurimas Kiela, Purchasing Manager at "Vienybė" division.

AB Umega has installed sales, procurement, quality control and financial analysis applications. The installation was not easy and took about two years: the main reason

Review of the solution

AB Umega

Metal processing and produce company

Sector

Manufacturing

Areas of analysis

Sales, purchasing, quality, financial analysis.

Geography of operations

23% of produce remains in Lithuania, while the other part is exported to 50 countries, with Germany, Sweden and Denmark being TOP3

Challenges

- To reduce stocks of raw materials, free up working capital.
- To speed up decision-making, improve their quality.
- To improve communication inside and outside the company.
- To minimize manual work, eliminate the likelihood of errors.
- To expand the use and possibilities of analysis.

Solution

Sales, purchase, inventory, quality control and financial analysis applications with Qlik. 20 employees use the solution.

Benefits

- Fast, flexible, convenient and user-friendly business data analysis system.
- Users can analyse data independently.
- Creating manual reports is no longer necessary - they are replaced by analytical Qlik applications. The need for technical work for compilation of reports decreased.
- Reduction of stocks of raw materials by 23% and more than EUR 100.000 in working capital freed up.
- A possibility to learn from actual data and improve the quality of forecast of operations.

Data sources

DW/BI: Oracle
Databases: Oracle, Excel, Skaita
Size of data: 23 GB

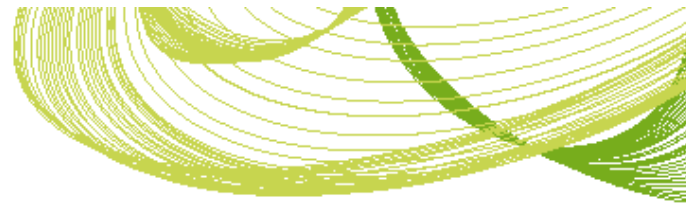
Project Executor

UAB Day Q, info@dayq.lt

QlikTech representative in Lithuania:

UAB Day Q, www.dayq.lt
Master reseller partner in Lithuania





for such duration of the project was complex and complicated Oracle MBS DB structure. The installation of QlikView procurement and inventory management application was most complex in “Vienybė” division. Its complexity according to QlikView “Governance Performance” was as high as 27.4.

“Saved” time for the improvement of business processes of the company

Oracle BMS functionality allowed forecasting demand for a certain raw material for the upcoming 45 days, however, eventually it was up to the Purchasing Manager himself whether or not this really was the required quantity, therefore manual work took up a large part of time of the Purchasing Manager when determining possible demand, which inevitably led to human errors. But such problems no longer exist: with QlikView data are analysed from many different sources and cover such information as production needs, goods on the way to the factory, delivery terms of produce, etc. At the same time having applied unique calculation algorithms, every morning the Inventory Manager monitors relevant information, such as which raw materials he must order today to not run out of them in the

future. No manual work, no mistakes!

“Previously, we purchased raw materials without seeing when one or another raw material will be needed in production and lingered examining each position individually. Accurate determination of demand took as many as 2 hours. With QlikView we are able to see the demand immediately, by a single click of the button. And, what’s most important, we have eliminated the likelihood of human error.”

Ingrida Neniuvienė, Strategic Purchasing Manager at AB Umega.

With QlikView it is no longer necessary to devote time for manual compilation of recurring reports, while the “saved” time may be used for the optimization of business processes of the company, meetings with suppliers, price negotiations and similar activities.

Implemented solution: 23% lower inventories of raw materials, EUR 100.000 in freed up working capital

In the development of the purchasing application, the biggest challenge was determining accurate demand for raw materials. Every professional Inventory Manager understands the

importance of assessment of demand for raw materials in light of terms of supply: some raw materials are delivered in a few days, others - in a few months, thus if all raw materials were subject to application of the same time interval, some raw materials would be received in excessive quantities and there would be a shortage of others. In order to maximize the accuracy in planning demand for raw materials, purchasing staff from “Vienybė” department decided to calculate demand for each raw material individually, depending on its supply term. For example, demand for raw materials, the supply term of which was one week, was forecasted for two weeks, while demand for raw materials, which were supplied in two days, was 4 days, etc. This complex task was resolved by creating a separate calendar for each raw material, which allows forecasting demand for each raw material. Thus, instead of monitoring demand for upcoming 45 days, now Umega managers are able to see the demand for each raw material for 2 delivery periods ahead. Even though these changes resulted in addition of several million entries in the report, it was worth doing so. Now “Vienybė” division can rejoice over 23 percent lower inventories of raw materials, or more than EUR 100.000 in freed up working capital!

“A decision to install QlikView has brought success to the company. The start, when enjoying fruits of the labour is not yet possible, is the hardest. But having reduced the level of raw materials by 23 percent, there were no more questions as to return on investment in QlikView. There also are some immeasurable things, such as increased decision-making speed and quality, decreased number of human errors in reports, improved communication inside and outside the company, reduced stress over inappropriate data sections, improved teamwork and others.”