Change of guard in small steps

The DK Recycling und Roheisen GmbH has been investing heavily in process optimisation and the in-house development of special systems for years. When it was time to replace the outdated enterprise software, the recycling business decided not to take the risk of a "big bang". Instead the Duisburg-based company preserved most of its heterogeneous IT structure and optimised the integration between the various individual applications. This allowed it to decide for itself when different functions would be transferred to the industry software and in which scope. It was a strategy that they could not have pursued without the flexibility of enwis) and Microsoft Dynamics NAV.

In the steel industry, the DK Recycling und Roheisen GmbH fulfils the role of "sweeper" at the end of the value-added chain. Established in 1876 under the name Duisburger Kupferhütte, the company processes ferrous scrap from the steel industry and extracts recyclable materials from it, such as special raw iron for foundries. It's a process which is extremely gentle on resources, points out Marc Hüfing, Head of IT at DK Recycling und Roheisen. "The DK process has a resource efficiency of 98 per cent. Out of the up to 500,000 tonnes of scrap we process every year, we're only unable to recycle about 2 per cent of it. That's environmental friendliness in the best sense of recycling management." The 250 employees of the ISO-certified enterprise generated revenues of about 100 million euro in 2014.

Flexible industry solution sought

When you take a close look, it's clear that DK Recycling is running with the hare and hunting with the dogs. The company gets ferrous scrap from the steel industry, processes it into raw iron and sells this to foundries. These are two completely different processes. The diversity of the business led to a widely heterogeneous system environment over the years. Even as it entered the new millennium, the recycling business was using numerous highly specialised applications developed in-house to augment a generic enterprise software. When support for the application in use was discontinued in the middle of the nineties, DK Recycling was facing a real problem. "We managed to get through the turn of the millennium safe and sound, But the pressure to switch had gotten very heavy. Naturally, we were also aware that the existing IT infrastructure was not as future-proof as we needed it to be", explains Marc Hüfing. Because our situation was so complex, we looked for a particularly flexible software which was as focused on our industry as we could find. The project preparation phase was equally complex. In 2001 the company decided in favour of enwis): an industry software for recycling businesses based on the Microsoft Dynamics NAV ERP system. Implementing the software was handled by the developer and Microsoft partner tegos GmbH Dortmund.

Migration to more modern program version

The aim of the project was not to supersede the numerous special applications, however. Instead enwis) became the centre of an integrated overall concept. DK Recycling was using enwis) particularly in the commercial areas of the company. In the operating business, the new enterprise software initially only handled the sales cycle for the raw iron. The purchasing of scrap and

DK Recycling has been working with enwis) since 2001, an industry application for recycling businesses based on the ERP system Microsoft Dynamics NAV. The aim of the project was first to integrate the new enterprise software into the existing system environment so that processes could gradually be migrated from applications developed in-house to the ERP environment. In 2010 the company switched to Dynamics NAV 2009.

Solution

With enwis) and Dynamics NAV 2009, DK Recycling managed to realign the purchasing process to the requirements of the reverse charge tax regulation. The company now also controls the sale of raw iron and the disposal of nonrecyclable scrap using enwis). Since updating to a later version, the recycling business has gradually switched from the "classic client" to the "role tailored client".

Benefits

Today DK Recycling benefits from lean processes and transparent information. This grants employees faster access to relevant business data. Another benefit is the flexible program structure of enwis) and Dynamics NAV. New requirements can therefore be accommodated with relatively greater ease. For the company this means an important degree of investment security.

the disposal of nonrecyclable waste were still being handled using special applications.

This strategy did not change until 2010, when the company migrated to the then-current version of Dynamics NAV 2009. There were multiple reasons for taking this step. One of them was the RTC or "role tailored client", which was first featured in the 2009 version. In contrast to the classic client, RTC allow enterprises to set up role-based business logic. This makes it easier to configure individual workplaces according to need and to distinguish them from each other. At the same time, business processes are no longer processed locally but rather centrally. "However, user guidance for the RTC is different than that of the classic client. That's why we migrated the individual workplaces step-by-step, taking into account the preferences of the departments and the employees", explains Project Lead Hüfing. It was a process that would occupy the company for an even longer time.

Continuous system expansion

The switch to Dynamics NAV 2009 also expanded the scope of enwis). In addition to the sales cycle for raw iron, the waste management process for nonrecyclable waste was transferred to the industry software. The company uses the supplemental software NSUITE to generate its mandatory electronic waste tracking records. This independent software is directly integrated into the business processes of enwis). It signs and despatches the tracking records to the authorities. The data is automatically read from the weighbridge tickets and the order processing. This makes manual entry the exception. All track-

ling records and movement forms can be researched through enwis) long-term. "NSUITE is ideally integrated into the workflow. This keeps our additional work in check. At the same time, it ensures process security", points out Marc Hüfing. Since the switch to the later version of enwis), it also processes raw material purchasing. "The reverse charge procedure bill meant that changes were inevitable in any case. It therefore made sense to transfer the new process right into the ERP system", adds Hüfing. "Reverse charge" is the legal term for reversing the tax liability for transactions. Since it was introduced in 2012 in the individual industries, it is no longer the seller but rather the buyer who has to transfer the value added tax due.

Consistent overall concept

Now enwis) and Dynamics NAV 2009 are not only responsible for order processing but for despatch, cost accounting, financial accounting and assets accounting as well. Virtually every employee working in these areas uses the industry software now. DK Recycling uses the supplemental NAPA3 module from Haveldata for HR management and payroll settlement. The OPPlus module is used in the area of payment transactions and financial management. However, waste management is not completely managed without turning to special applications. "Our processes are complex, well-attuned and optimised to work together. Therefore it has not yet made sense from a financial perspective to completely change the platform. Instead we found a way to ideally integrate the existing systems", points out Marc Hüfing. For example, the company manages inventories with its own application developed in-house and connected

enwis)

Overview of the technology

enwis) & Microsoft Dynamics NAV
Nearly every administrative workplace at DK Recycling has now been equipped with enwis) and Microsoft Dynamics NAV. The industry application for the recycling business is enhanced with supplemental modules, including NAPA3 from Haveldata for HR management and OPPlus from gbedv for financial management. The signature and communication platform NSUITE handles the electronic despatch of waste tracking records to the authorities. There are other interfaces to various applications developed in-house, such as one for inventory management.

Software & Systems
- Microsoft Dynamics NAV
- enwis) (industry application for recycling businesses)
- NSUITE (handling electronic waste tracking records)
- NAPA3 (supplemental module for HR management and payroll settlement)
- OPplus (supplemental module for payment transactions and financial management)

to enwis) via interface. These reason for this is the highly automated process of controlling consumption which grew organically over time. One of the greatest benefits of enwis) and Dynamics NAV in the eyes of Project Lead Hüfing is how transparent data has now become. "We are now able to compile most of our information in one spot. This greatly increased the quality of our data and also gives us faster access to it. It is also much easier to run analyses using enwis)." From the IT perspective, he is especially appreciative of the system's flexibility. For example, objects can be adjusted using simple means, creating room for individual changes.

Among the plans for the near future, continuing to roll out the RTC has a high priority. In addition, where possible, individual tweaks should be reversed to the application standards. Project Lead Hüfing admits, however, that this is an area in which they are facing resistance in the various departments, where employees prefer to stick to their tried and tested processes.