

The background of the entire advertisement is a photograph of two industrial workers in a steel mill. They are wearing yellow hard hats and white t-shirts with dark suspenders. They are looking down at a set of blueprints or a tablet they are holding. The environment is filled with large, dark steel beams and structural elements, creating a complex geometric pattern. The lighting is somewhat dim, with highlights on the workers' faces and the steel surfaces.

# STEEL SCOUT



## Take control of your metal supply chain

Improve product and pricing visibility, procurement efficiency and your bottom line

# Executive summary

## Introduction

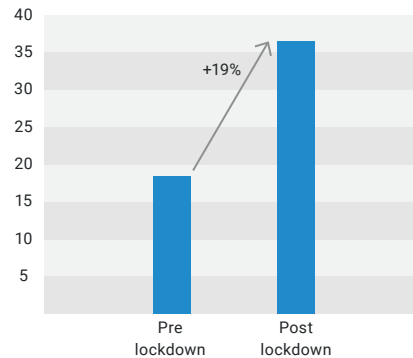
Digital technologies have transformed practically every industry across both B2C and B2B sectors and now form part of people's everyday lives, from how we manage our homes to how we buy goods & services.

Although it is generally recognised that B2B sectors have been slower to adopt digitalisation than their B2C counterparts, this is changing rapidly, accelerated by the Coronavirus crisis. During the pandemic, many businesses have adopted new ways of working, often taking advantage of modern technology to facilitate remote working, flexible hours, video conferencing and more<sup>1</sup>.

**"We have vaulted five years forward in consumer and business digital adoption in a matter of around eight weeks."**

Indeed, a recent report by McKinsey stated that we have vaulted five years forward in consumer and business digital adoption in around eight weeks<sup>2</sup>.

Another recent survey by PROS showed that since the start of COVID-19, 37% of businesses are primarily purchasing through digital channels – an increase of 19% vs. prior to the outbreak - which is expected to rise to 40% post- pandemic.



## A sector in transition

However, there are some processes that remain at the early stages of the adoption curve. Metal procurement is often cited as one such process. For many industrial businesses, metal is a vital part of the supply chain including manufacturers, laser processors, construction firms and engineers to name just a few. But while some buyers and distributors have made a shift towards e-commerce, the sector is only at the beginning of discovering how to leverage this channel to market.

This presents a challenge as while manufacturing and construction firms accelerate digital solutions in their production lines, teams involved in metal procurement will need to up the pace of adoption so that they do not lag behind and become disconnected from the broader supply chain.

The internet's ubiquity and scalability provides access to new customers, markets and suppliers for all businesses including metal users. This leads to new opportunities and revenues together with lower costs of acquisition. This combined with new low cost data storage capabilities, means that information can be stored easily and cheaply and used more effectively to make metal procurement more efficient.

Because of these benefits, the metal buyers and suppliers should see digitalisation as a source of competitive advantage; those businesses that adopt new technologies early, will often see increased efficiencies, speed to market and opportunities for growth.

<sup>1</sup>The effects of COVID-19 on manufacturing supply chains, SteelScout, June 2020

<sup>2</sup>The COVID-19 recovery will be digital: A plan for the first 90 days, McKinsey, May 2020



# Changing expectations



## Buyers expect ease and efficiency

There are a number of reasons for the slow adoption of digital technologies across the metal distribution sector. Often mentioned first by suppliers is that “our customers aren’t asking for these new ways of working” and so by implication they must be happy with the status quo. This is a high-risk position for suppliers to hold as countless B2C and B2B sectors have already faced a tide of rapid upheaval as customers switched to providers offering the speed, ease and efficiency of digital interaction.

This will only accelerate as the Digital Native generation increasingly make up the work force and become the decision makers in B2B procurement.

Drawing on their experiences of B2C digital providers, B2B customers will expect and, increasingly demand, more from their suppliers. The highly competitive nature of the manufacturing and construction sectors means that few players can afford to ignore the efficiencies and savings that digitalisation can feed through to their businesses. The pressure to change will challenge the incumbent market players to re-think.

“Drawing on their experiences of B2C digital providers, B2B customers will expect and, increasingly demand, more from their suppliers.”

## Enhance customer relationships

Other frequently cited barriers to change include digital knowledge, skilled labour, perceived costs of technology, high levels of fragmentation and the anticipated impact on relationships.

However, most, if not all of these barriers, can be addressed by choosing a trusted digital partner and in fact, many of the emergent metal platforms remove the need for skilled labour or investment in technology.

Indeed, in terms of customer relationships, rather than having a negative impact, digital should be seen as a way to enhance existing relationships. For example, suppliers can offer value added services by providing customers

with more efficient ordering processes and personalised data. And by automating and reducing admin tasks, buyers can free up time for increased customer engagement. Studies have shown that digitalisation can improve service levels, profitability and inventory <sup>4</sup>.

<sup>4</sup>Typical benefits of an improved and digitized value chain include better customer interaction and up to a two-fold increase in service levels, 2-4% improvement in EBITDA, and inventory reductions of 10 days and more. World Economic Forum.

## The benefits of digitalisation

There are three key areas where digital technology can improve business performance, independent of budget, size or location.



### 1 Reach and access

Digital platforms are accessible by almost anyone, anywhere, at anytime. This removes geographical barriers and instantly provides access to new suppliers, locally as well as nationally or internationally. The 24/7 nature of digital mean that businesses don't have to be constrained to office hours and the mobile internet means that buyers and suppliers can manage their orders from any location, which is especially pertinent during the current crisis where 40%-50% of the workforce have been unavailable to perform their functions on-site <sup>5</sup>.



### 2 Efficiency

By automating basic processes and reducing the time needed to get quotes and confirm jobs, digitalisation can speed up the time taken to respond to customers. For example, ordering, document storage and notifications are all centralised meaning that tasks like getting quotes, agreeing orders, reporting and documentation are all easier and quicker. Such tasks could equate to up to 50% of a buyer's time so the potential for productivity gains or cost saving are considerable.



### 3 Data & visibility

The ability to capture, store and access data easily and cheaply in the cloud means that multiple tasks can be managed in one location or automated, eliminating the need for time consuming admin and fragmented data storage on paper or in multiple spreadsheets. Furthermore, businesses can use this data to add value to their customers by providing insights for their business and automating reports.

<sup>5</sup>Gartner, April 2020.



## Gain competitive advantage

With these benefits, digitalisation can transform the position of buyers, giving them more choice, better value and a more efficient buying processes, saving them time, money and resources in the process.

And by providing metal buyers and suppliers with an overview of the market in just a few clicks, this reduces the time and resource required to search for, contact and set up new partners.

And in times of uncertainty, one way for metal buyers to protect continuity of supply is to work with digital partners who are able to leverage these benefits to quickly adjust to rapidly changing market conditions. In the current climate, working with a platform that can move quickly, get a real-time view of demand, and quickly connect the right buyers with the right suppliers, can guarantee materials and protect jobs.

**"Working with a platform that can move quickly and get a real-time view of demand can quickly guarantee materials and protect jobs."**



# Getting started

## Getting started

There are a number of digital platforms and tools available, custom built for metal procurement. So getting started can be quick and easy. These range from single supplier webshops to multi-supplier platforms.



### 1 Choose the right partner

Find a partner that gives you control and choice. In the current climate, you need flexibility, fast response times the ability to switch supply to ensure materials. SteelScout offers two multi-supplier platforms that fuse expertise in the metal industry with custom built technology. What's more, both services are free to use for buyers, ensuring that buyers get the best deal without having to pay additional costs.



### 2 Access the market

Manufacturers want greater visibility of their supplier chains. SteelScout provides single access points to the market; connecting buyers with a network of suppliers, giving them access to a range of highly competitive quotes which a webshop cannot provide. And because SteelScout services source from a large network of distributors, buyers deal with only one supplier process instead of many.

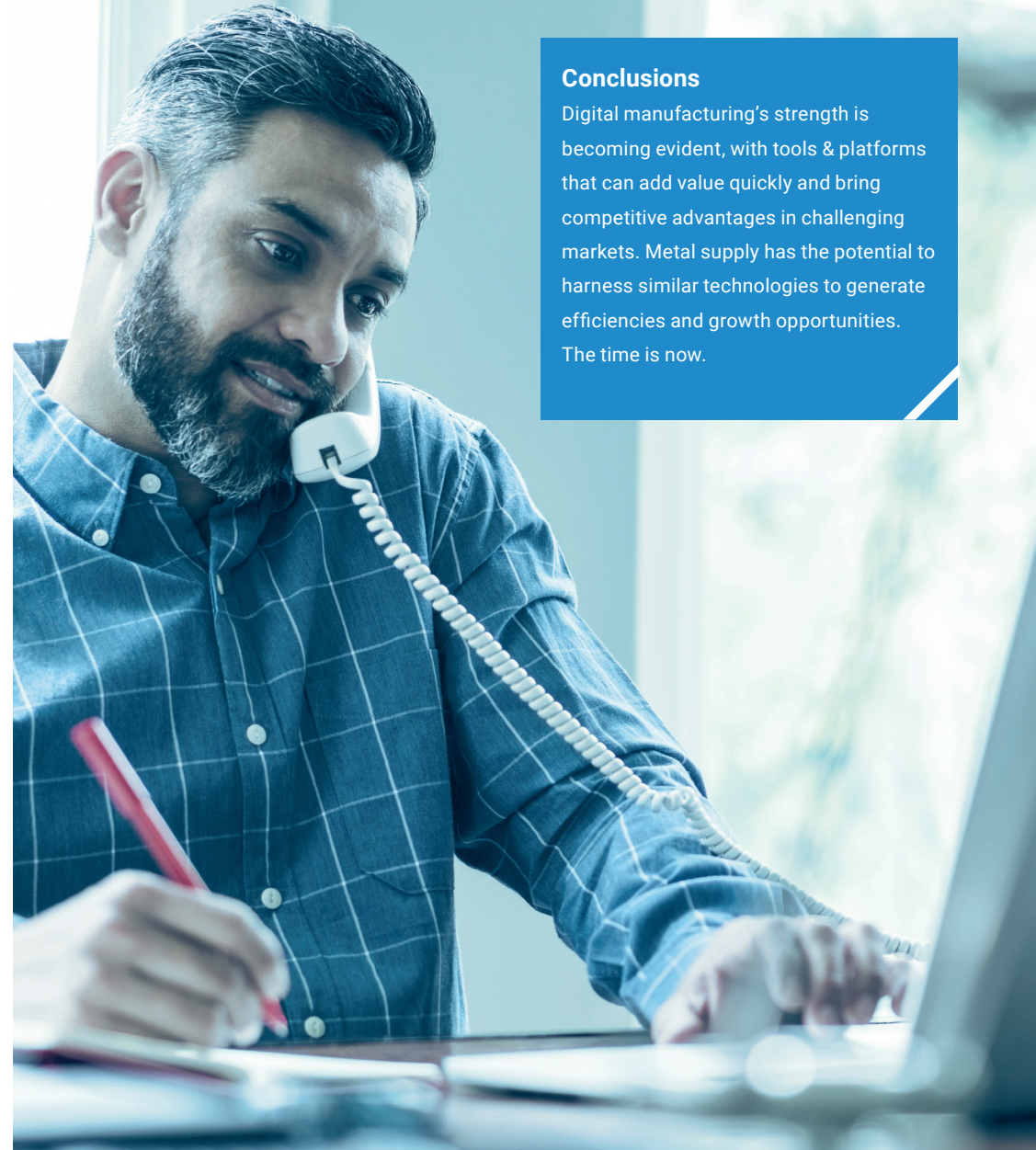


### 3 Reap the benefits

Find a partner that makes your procurement process more efficient, reduces your admin and enables you to use your resources more effectively. SteelScout requires no integration and with its digital tools, buyers can manage their orders in an online account. And with SteelScout Procure, buyers benefit from a single trade and credit account, removing the need to set up individual supplier agreements.

## Conclusions

Digital manufacturing's strength is becoming evident, with tools & platforms that can add value quickly and bring competitive advantages in challenging markets. Metal supply has the potential to harness similar technologies to generate efficiencies and growth opportunities. The time is now.







## Hear from a SteelScout customer

Woodtek Energy is a Welsh based renewable energy company that provides a range of biomass products across the country and specialises in the manufacture of highly efficient wood chip dryers and feed mechanisms. The business prides itself on its end to end customer service from the point of enquiry to the maintenance and service of its products.

Woodtek have worked with SteelScout since 2017. Prior to working with the digital platform, Woodtek largely used traditional methods to source metal and relied on a small number of local Stockholders.

The company took the decision to embrace digitalisation early on and has seen the benefits reflected throughout the business. By utilising the scalability of the SteelScout platform, Woodtek has broader visibility of the market and has been able to source new suppliers and increase its speed to market.

SteelScout's bespoke technology enables metal buyers to rapidly match their requirements to a network of qualified sellers at highly competitive prices, and as a result Woodtek has seen an improvement in its bottom line.

Furthermore, the company has made extensive use of the account management features available, including viewing and accepting quotes and accessing order history including the storing and downloading invoices and test certificates. As a result, Woodtek has reduced its procurement admin and improved internal processes leading to quicker turnaround times and a reduction in resources required.



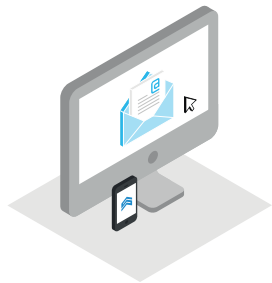
"SteelScout has enabled Woodtek to source new suppliers, increase our speed to market and improve our bottom line." Kelly Jones, Woodtek

## STEELSCOUT

SteelScout was launched in 2017 with two digital platforms designed to make metal procurement easier and more efficient for buyers and suppliers. SteelScout re-imagines the traditional metal supply chain by targeting and improving inefficiencies in the fragmented distribution-market through value-adding innovation. SteelScout offers metal buyers a new, simpler user experience, making it easier to purchase metal and gives suppliers new, rapid channels to market.

### How SteelScout works

Choose between instant pricing and online checkout or a bespoke quotation service.



Choose your products (metal, shape, grade and finish) and send us your enquiry by web, phone or email.



Get competitive quotes from a range of suppliers that deliver to your location. You choose and we'll get it delivered.



You save time and money and can focus on running your business with fewer distractions.

## PROCURE

SteelScout Procure enables buyers with larger or bespoke requirements to get the best deal for them. SteelScout will obtain competitive quotes from a network of suppliers, and oversee the entire order. SteelScout Procure also provides customers with the digital tools to manage their information including quote and order history, delivery details and test certificates, all in one place.

## DIRECT

SteelScout Direct is a comparison engine that allows buyers to instantly compare suppliers, prices and lead-times and buy online. Buyers are able to build a material list using bespoke online tools and instantly see a list of prices and lead-times from local suppliers, and make a decision based on their specific needs, saving buyers valuable time and money.

### And there's more to come

SteelScout has been around for less than three years but is already delivering significant benefits for both buyers and suppliers of metal. Between them, the ventures have amassed over 8,000 registered buyers across the UK and this number is growing every week.

In addition, SteelScout continues to bring innovation to the market with further services planned to launch in 2020 which will bring more value and capability to both metal buyers and suppliers.

