

USA Sugar Co. Key Facts

Assets:

- 180 000 acres of farmed land
- 12-story, 300,000-square-ft refinery
- 2000 Employees
- Own 156mile railroad, 1000 railcars

Annual Production, Sugar:

Approx. 700 000 tons

Annual Production, Orange Juice:

Approx. 100 Million Gallons of OJ

ERP Systems:

Centralized Procurement Team
Using SAP ECC6
Various Reporting Tools

Level of In-House ERP Knowledge:

Excellent SAP experience

Level of Purchasing Knowledge:

High. Sourcing Innovators. Looking to increase the level of spend coverage to include all indirects in detail.

Refresh License:

Refresh Desktop & Refresh Server

Current Status:

Tagged all SAP purchase order lines to UNSPSC as part of the medium term purchasing strategy

Refresh Languages installed:

American English

Combined Standards in Refresh:

UNSPSC Segment
UNSPSC Family
UNSPSC Class
UNSPSC Commodity
ISO 8000 Noun Qualifiers for all Items and Services category-wide
HTS – Harmonized Tariff Codes
Sugar Industry specific codes



Refresh™ Data Standardization Software Project Case Study: Automatic Standards for the Largest Sugar Co. in USA



The Solution:

Refresh Desktop was deployed within one week of purchase so the standardization of the purchase lines could commence in record time. The original Refresh dictionary already included an increased number of noun-modifiers especially from the agricultural, services and chemical families, given that Fresh International already had many agribusiness customers. The total number of individual noun-modifiers in the dictionary exceeded 27000.

The purchasing team and especially the lead purchasing analyst was quick to pick up the Refresh tools and actually start the full cleanse during the kick-off workshop itself.

Business Challenge:

For one of the world's leading producers of sugar, a key challenge is always how to manage and optimize spend on an increasing amount of materials from such a large supplier base. Especially since their sugar plant is the largest, most technologically advanced, fully integrated cane sugar manufacturing facility in the world which means excellent production figures, but quite a diverse range of items of supply being bought daily through many purchasers.

In terms of in-house software tools, the organization had been running SAP for many years as well as some best-of-breed reporting tools. However, the current tools were not the main problem – the underlying raw data was the real issue. It was extremely tough to get users to provide trustworthy spend classes / material groups across an extremely varied range of commodities - from stationery and services all the way through to specific bagasse-fired boiler spare parts.

The main problem remained: **how best to automatically tag all materials and purchase line items to UNSPSC?**

A second, more labor intensive issue was also important to solve: **how to get standard Noun:Modifier material descriptions – reducing duplicates & off-contract spend?**

After investigating the market for a specialist tool and including in-depth and live demonstrations of own-material cleanse rates & SAP integration tests, Refresh™ Desktop and Server software was both selected to be rolled out across the entire supply chain material base.

Some factors key in the selection of Refresh™ included:

- + Low software license cost and low implementation effort
- + Ease of use allowing the right person to do the job quickly
- + Deep Global International Standards experience & content
- + Pre-Built dictionaries ready to use on day 1
- + No need to touch the SAP system / any SAP resource
- + Fresh's agility in customer customization of software
- + Coverage of diverse spend categories including special experience with other large agribusiness customers

Material no	Old description	Vendor	Certainty	Material group	UNSPSC #	New description
20004600	SWITCH, STARTER	ORIGINAL EQUIP...		MODEL EQUI	39.12.15.21	STARTER
20001351	SWITCH, TOGGLE, 120V 15A, 3...	HUGHES ELEC...		ELECTRIC	39.12.15.07	SWITCH
20001812	SWITCH, TOGGLE, 120V 15A, 0...	PERFORMANC...		ELECTRIC	39.12.15.07	SWITCH
20004136	TAPE, DUCT, 2" X 60 YD, SILV...	PASTERNAI CO...		PROD SUPPLY	31.20.15.01	TAPE/D
20004059	TAPE, ELECTRICAL, 1/2", VINYL...	HUGHES ELEC...		ELECTRIC	31.20.15.02	TAPE/D
20004058	TAPE, ELECTRICAL, 1/2", VINYL...	HAGEMEYER N...		ELECTRIC	31.20.15.02	TAPE/D
20004052	TAPE, ELECTRICAL, 1 1/2" X 30'...	REVEL COMPO...		ELECTRIC	31.20.15.02	TAPE/D

eO...	Title	Score	Type	UNSPSC #	UNSPSC Title	Description
18542	SWITCH-ELECTRONIC	6	N	39.12.15.00	Switches and com...	An electronic device w...
18554	SWITCH-ENCLOSED	6	N	39.12.15.01	Safety switches	provides for the trans...
6302	SWITCH-ENGINE START...	6	N	39.12.15.00	Switches and com...	electrical signal inpu...
6300	SWITCH-ENGINE TEMPE...	6	N	39.12.15.00	Switches and com...	component to another,
54146	SWITCH-FIBER DISTRIB...	6	N	43.22.26.12	Network switches	two or more components
18752	SWITCH-FIBER OPTIC	6	N	39.12.15.00	Switches and com...	also provide a continu...
18552	SWITCH-FIBER	6	N	39.12.15.00	Switches and com...	

Refresh Desktop identified many items automatically at 1st pass

This purchasing automation is now also being embedded in the procure to pay transactions themselves within the purchasing process and inside the ERP system.

#OTD class	UNSPSC code	Intrastat / HS code	Control code	Description
34461	41.11.33.23	90278000	90278000	ANALYZER SUGAR
				Sugar analyzers
				Instruments and apparatus for physical o...
				Otros instrumentos e aparelhos

Refresh Server is being rolled out to automate all texts and classes

Key Business Benefits:

The company has been using the Refresh software to cleanse and manage materials across all departments - for all products, from all suppliers. For the Operations team the main benefit is simple: **finding their materials easily**. For Strategic Purchasing the main benefit is **a detailed view of each purchase, highlighting common purchasing trends** across all divisions, and showing any category areas which require further improvement. The Purchasing department can use this data to develop their purchasing strategies accordingly, ensuring that the company is achieving true value for money from all stakeholders.