



Customer Success Story: Blue Rhino

Overview

Blue Rhino, a division of Ferrellgas, is the leading national provider of branded propane cylinder exchange and complementary propane-fueled products to consumers. Blue Rhino cylinder exchange is offered at leading home center/hardware, mass merchants, grocery and convenience stores, with branded cylinder displays at more than 27,000 retail locations in 48 states plus Puerto Rico. Cylinders are delivered to retailers through a national network of both independent and affiliated distributors.

Since its inception in 1994, the company has seen tremendous growth. To manage continued growth, Blue Rhino needed to be able to improve its internal process controls, provide a more efficient work environment, and maintain a certain level of control and insight over how the business is running.

Challenge

Blue Rhino was growing at a rapid pace and running its business by way of manual processes. The company needed to automate its processes to continue to grow, maintain control, help improve its process controls, provide management visibility into critical information, and create increased efficiency and productivity. Blue Rhino conducted a competitive review of Business Process Management (BPM) solutions to find the best fit to meet their needs and one that would integrate with its existing infrastructure.

In addition to its manual system, Blue Rhino needed to comply with the Sarbanes-Oxley Act of 2002 – a very important piece of legislation requiring public companies to validate the accuracy of their financial reporting. The processes and documentation for compliance are stringent, and Blue Rhino is relying on the Metastorm BPM solution to help control and document its processes. Blue Rhino wanted to be one of the

Highlights

Manufacturing, Retail,
Distribution

Processes Enabled:

- Sarbanes-Oxley Compliance
- Distributor Supply Chain

Customer Benefits & Results:

- Better communication with distributors; more efficient supply chain
- Achieved Sarbanes-Oxley compliance
- Improved overall operational auditability
- Increased visibility and faster decision making

first companies leading the charge to comply with the Sarbanes-Oxley Act – this was driven by the fact that their fiscal year ends in July and compliance was mandated for June of 2004.

Solution

After careful research, Blue Rhino selected Metastorm BPM® for its new BPM solution. A key reason for this decision was that it integrates well with its existing infrastructure, particularly Microsoft SQL Server which is the company's main database environment. Other key differentiators were the flexibility and ease-of-use that Metastorm BPM provides to its end users, Metastorm's ability to help the company comply with the Sarbanes-Oxley Act of 2002 and a heightened level of information access and control for the company's management.

Blue Rhino immediately identified a list of processes to be deployed and in one year, the company has automated more than ten processes using Metastorm BPM. The list is continuously growing, and the company expects to roll out additional processes for payroll, financial reporting, and operations at production facilities in the near future.

Processes already deployed are as follows:

Inventory Procurement Process – The system that keeps track of company-wide inventory that include millions of 20 lb cylinders. This process gives the company the ability to order and transfer inventory between its 52 distributors. This is a critical process to help manage control over its inventory. Each distributor is required to report on month end inventory counts, ultimately matching final numbers from that of the company.

Ordering Process – Blue Rhino distributors are now able to use Metastorm BPM to order cylinders and cages. Metastorm

BPM also allows the company to set spending limits, and authorize approval codes.

IT Change Control Management Process – An internal process that empowers Blue Rhino employees to request changes to internal systems. The main benefits of this process are to help satisfy Section 404 of the Sarbanes-Oxley Act where all internal controls that have a direct affect on financial reporting must be documented. This process also helps to segregate duties of employees.

Customer Care – The company’s Customer Care department now has an automated process for the ordering of parts, replacement parts, shipping of parts, warranties, among other things. This process links up with the company’s inventory system to track inventory numbers.

Human Resources New Hire Process – This process enables Blue Rhino’s Human Resources and IT employees to prepare for new employees including managing all required paperwork, network passwords and connections, computer equipment, etc.

Metastorm BPM has also been integrated with its portal tool – Rhino-Net – a Web-based tool used by Blue Rhino and its distributors to share information in real-time.

Results

Blue Rhino achieved a rapid deployment and has already realized excellent benefits by using Metastorm BPM including reduced costs from the efficiency they have gained, increased employee productivity with more job structure, better communication and a cohesive team environment.

Blue Rhino management has enhanced visibility into critical information so that they can focus on the right areas. Information is immediately accessible in Metastorm BPM so key decisions can be made faster and more effectively than in the past.

Blue Rhino plans to continue leveraging Metastorm across the organization to automate additional processes.

“Metastorm BPM has not only met our needs, it has exceeded them,” stated Bob Travatello, chief information officer for Blue Rhino. “We like that it empowers our employees with the tools to be more efficient across all aspects of our business, something we didn’t realize would be possible with one solution. Before you know it, we will be using Metastorm to automate and run our entire business.”

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