

Differentiate in Commodity Markets



Differentiate in Commodity Markets

Market Situation

Commoditized Products

Business Priorities

SAP Innovations

Market demand is cyclical and slowing down globally. Production overcapacity, high energy costs, commodity price volatility, and regulatory requirements expose mill products companies to increased risk and force them to control costs.

The population in emerging markets is growing constantly, increasing in wealth and consumption. Mill products companies are profiting from this trend by providing products at the first level of consumption. But raw material prices are increasing and displaying increased volatility, trends that create a very competitive business environment for mill products companies, with increased risk of higher prices and lower margins. In an attempt to secure raw material supplies and reduce commodity price risk, commodity customers are engaging in mergers and acquisitions. At the same time, there is an increased focus on hedging of raw material and energy supplies.

In addition, commodity suppliers must monitor increasing regulatory requirements and efficiently manage their responses to minimize the cost of compliance and the risk of supply chain disruption.

The result of these developments is the increased complexity of supply networks. A responsive network that meets demands, proactively manages supply chain risks, and responds in real time to supply chain events is essential. Competitiveness and long-term success now depend not only on low price but a high level of customer satisfaction as well.



Excel in the Market with Commoditized Products

Market Situation

Commoditized Products

Business Priorities

SAP Innovations

Manage the network, achieve profitability, and limit risk.

Fulfill customer order expectations – including products that meet specifications and on-time delivery demands – at low cost.

Achieve maximum return on assets and increase margins.

Manage production and logistics efficiently to stay competitive, secure profitability, and win in a commodity market.

Best-Run Mill Products



SAP solutions help promote sustainable growth, profitability, and stakeholder recognition by assisting users in optimizing asset performance, order fulfillment, and risk management.

Priorities of Best-Run Mill Products Companies

Market Situation

Commoditized Products

Business Priorities

SAP Innovations

Best-run mill products companies focus on the needs of their global customers. To help ensure their competitiveness, they strive to develop a responsive supply chain and efficient, reliable production at low costs.

- Profit-Driven Supply Chain
- Plant and Asset Operations Excellence
- Sustainable Customer Relationships
- Human Resources
- Finance
- Procurement
- Information Technology
- Technology and Platform



Understanding the value drivers for each of these priorities is key to executing as a best-run mill products company.



SAP Innovations

Market Situation

Commoditized Products

Business Priorities

SAP Innovations

Mill products companies struggle with overcapacity, rationalization, mergers, and acquisitions. They must translate the latest IT advances into process innovations while providing current service levels without disruption to the business.

SAP is making significant investments in five distinct technology areas – applications, analytics, Big Data, mobile, and cloud – to help mill products companies compress sales cycle times, minimize time to profit for new projects, and reduce manufacturing and supply chain costs.

Analytics and Big Data

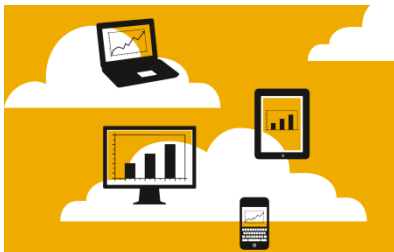
Companies can maximize return on assets by using breakthrough analytics solutions from SAP, like the SAP HANA platform. For example, SAP HANA helps track, trace, and understand offerings at the characteristic level, to rapidly suggest alternative products.

Mobile

Mobile apps offered by SAP enable operations to run faster and smoother by providing employees with access to critical information anytime, anywhere and allowing them to capture data on the spot.

Cloud

Cloud solutions from SAP and its partners provide new ways to deliver extraordinary potential for customers to run their businesses better and faster. They offer low-cost and low-risk deployment while providing flexibility, scalability, and integration across end-to-end business processes.



Mill Products Value Map

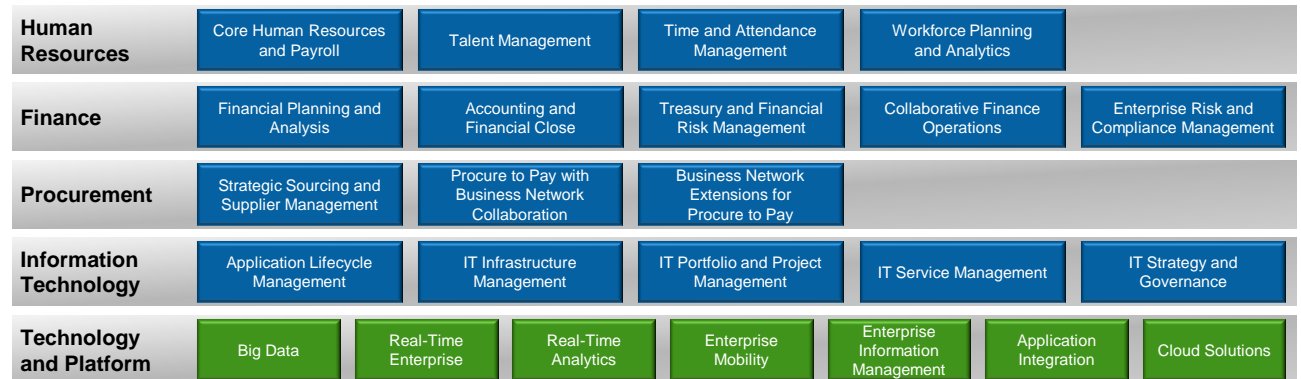
SAP Solutions

Differentiate in commodity markets.

- Profit-Driven Supply Chain
- Plant and Asset Operations
- Customer Relationships
- Human Resources
- Finance
- Procurement



- Information Technology
- Technology and Platform



Profit-Driven Supply Chain

SAP Solutions

Profit-Driven Supply Chain

Priorities

SAP Solutions

Mill products companies face major challenges in managing their complex supply chains. Mergers and acquisitions and globally dispersed sites require robust supply chain management. On-time delivery is critical to survival.



Mill products companies are experiencing intense economic change. Networks are becoming more complex. Companies are subcontracting and outsourcing operations. Customers expect on-time delivery in full. Order cycles are becoming shorter. Management of the whole network – integrated planning, execution, and management of all plant activities associated with sourcing, procurement, manufacturing, and logistics management – is becoming critical to success.

The ability to answer customer requests in a fast, precise, and reliable manner presents an opportunity to improve sales margins by increasing customer confidence.

Fluctuations of raw materials and energy present another opportunity for supply chain profitability. Even small price differences can have significant impact on overall profitability. A well-managed supply chain is the key to better control, profitability, and competitiveness.

96%

On-time delivery performance reported by top 25% companies, versus 89% by average organizations in mill products industry

Source: SAP Performance Benchmarking



Profit-Driven Supply Chain

SAP Solutions

Profit-Driven Supply Chain

Priorities

SAP Solutions

Manage the supply chain from purchase to delivery at customer sites.

Stay profitable and competitive by managing the supply chain proactively with real-time insights. Focus on customer satisfaction while controlling risk and costs.

Integrated Business
Planning

Use an efficient analysis of Big Data to improve forecasting and planning.

Supply Chain Planning

Manage supply chains based on accurate real-time data to keep risk low and maintain profitability.

Inventory Visibility and
Order Promising

Provide flexible but precise responses to customer requirements with easier access to the real status of inventory and production.

Transportation and
Warehouse Management

Increase customer satisfaction by producing and delivering on time.

Supply Chain Monitoring

Monitor the supply chain to enable real-time analysis, insight into segmented business policies, and visibility to alerts based on key performance indicators (KPIs), performance, and current supply chain setup.

Commodity Management

Diminish financial risk by controlling the commodity price risk.

6%

Higher on-time delivery performance for mill products companies that integrate order promising with key trading partners

Source: SAP Performance Benchmarking

Benefits

- Flexible sales and operations planning
- Better delivery performance
- Increased customer satisfaction
- Clear global view of inventory
- Lower financial risk
- Lower production and transportation costs



Plant and Asset Operations Excellence

SAP Solutions

Plant and Asset Operations

Priorities

SAP Solutions

Mill companies must maximize the utilization, performance, and output of their highly capital-intensive assets, while keeping track of costs, quality, energy consumption, worker safety, and the environment.



Holistically managed modern mill operations can run sustainably only through the close integration of manufacturing, maintenance, and operational risk-management activities. To manage assets efficiently and maximize returns, mill companies must streamline manufacturing and maintenance processes across the value chain via end-to-end business process integration and automation.

To maintain a competitive edge, mill companies must continuously improve efficiencies in the manufacturing process. Clear visibility into all aspects of operations supports faster and more informed decision making. Machines and qualified personnel are key elements for success, as are detailed tracking of products during production, delivery, and customer use.

14%

Higher operating equipment effectiveness reported by top 25% companies than average organization in mill products industry

Source: SAP Performance Benchmarking



Plant and Asset Operations Excellence

SAP Solutions

Plant and Asset Operations

Priorities

SAP Solutions

20%

Higher asset capacity utilization reported by mill products organizations with mature plant maintenance processes

Source: SAP Performance Benchmarking

Maximize return on assets with higher use while enabling safe operations.

An effective asset management program minimizes overall maintenance costs and simultaneously increases worker safety. This is the base for efficient production.

Production Execution and Visibility

Gain greater visibility into and control over manufacturing by integrating plant-floor systems with core enterprise applications.

Asset Visibility and Performance

Provide visibility into equipment performance, condition, and status, enabling prompt corrective actions.

Asset Operations and Maintenance

Enable holistic asset and maintenance management by integrating and automating all maintenance-related data, processes, and reporting.

Environment, Health, and Safety

Assess and proactively reduce risks to enable safe operations and business continuity.

Energy and Environmental Resource Management

Improve operational visibility to reduce energy, environmental footprint, and related costs.

Quality Management and Compliance

Provide high-quality products produced in a compliant way from raw material to delivery.

Benefits

- Maximize sustainable return on assets
- Gain high performance and low costs
- Consistently create best products
- Improve worker safety
- Track origins
- Lower energy consumption



Sustainable Customer Relationships

SAP Solutions

Customer Relationships

Priorities

SAP Solutions

In today's dynamic business environment, long-term customer relationships are key to sustainable success. The sales force needs to know customers in detail. The ability to cope with the wide variety of product configurations is a must.



Digitally plugged in and always on, today's customers can obtain information about a company, products, services, sellers, and competitors – all in an instant. This changes the rules of engagement with customers.

Prospects and customers can now drive the conversation in disparate directions. To keep pace, organizations need to align their selling system to increasingly empowered customers. Grouping customers according to potential and behavior is important to leverage the chances of mobile sales, offer self-services where applicable, and focus on the most important customers with direct sales efforts.

Sales executives need a true 360-degree view of the customer that applies both structured and unstructured data from all relevant sources. They need to foster greater collaboration both inside and outside the organization. And they need the power to access key information anywhere, anytime.

2.5x

Lower customer churn
observed by top 25%
companies than bottom 25%
organizations in mill products
industry

Source: SAP Performance
Benchmarking



Sustainable Customer Relationships

SAP Solutions

Customer Relationships

Priorities

SAP Solutions

29%

Lower order receipt to ship time for organizations where key order management metrics are analyzed across dimensions like customer and product (MTO model)

Source: SAP Performance Benchmarking

Achieve sustainable sales with 360-degree customer insight and fulfillment.

See the customer more clearly than ever. Handle personal interactions simultaneously along all steps in the sales cycle via the Web and other channels.

Market-Driven
Segmentation

Create accurate forecasts, monitor real-time pipeline performance, manage budgets, and allocate territory resources.

Sales Performance
and Enablement

Manage the order-to-cash process for configurable products from end to end.

B2B Commerce

Process orders and customize offers in real time.

Streamlined Service

Provide prompt, targeted customer service to increase their satisfaction while keeping costs low.

Order and Contract
Management for
Configurable Products

Find the resources, information, and context needed to close each sale. Motivate partners to sell more with better information access. Deliver a delightful online buying experience and manage all interactions from one place.

Benefits

- Identify pipeline velocity issues up front
- Increase customer retention
- Improve decisions with predictive analysis
- Improve sales-to-delivery performance
- Enhance customer familiarity



Human Resources

SAP Solutions

Human Resources

Priorities

SAP Solutions

Talent is a true competitive advantage today and critical when aligning business strategy and execution. Best-run organizations achieve profitable growth by leveraging their talent and out-innovating the competition.



For organizational growth and an agile response to business change, organizations must give people the knowledge and technology to facilitate innovation. They must also move into new markets, adapting to local practices and tapping the right local talent. In addition, they must identify and retain new talent acquired through mergers and acquisitions.

SAP solutions help organizations attract and empower innovative talent and then integrate and leverage the acquired talent. HR departments can find, deploy, and retain talent globally.

Organizations that respond to challenges quickly with the right talent in the right places will have a unique advantage in the marketplace that can help them outperform the competition.

32%

Higher revenue per employee for mill products companies where the HR system supports a balanced score-card and is integrated to performance appraisal

Source: SAP Performance Benchmarking



Human Resources

SAP Solutions

Human Resources

Priorities

SAP Solutions

8%

Higher employee engagement by implementing training programs that develop the workforce in line with organizational objectives

Source: SAP Performance Benchmarking

The new world of work.

Enable growth and sustainability by providing choice in HR services. Couple global capabilities, integration, and real-time insight with mobile-device support.

Core Human Resources and Payroll

Consolidate HR and payroll processes on a common global platform for better workforce data and legal compliance.

Talent Management

Improve strategic alignment, increase productivity, and accelerate results by identifying, developing, motivating, and retaining talent.

Time and Attendance Management

Streamline time management processes to enhance resource effectiveness and visibility into and control over labor costs.

Workforce Planning and Analytics

Identify and analyze talent gaps and streamline workforce planning for efficient and effective management of workforce demand and supply.

Benefits

- Align people to organizational strategies
- Support global expansion into new markets
- Improve productivity and engagement
- Gain real-time insight into business needs



Finance

SAP Solutions

Finance

Priorities

SAP Solutions

CFOs implement best practices to strike a balance between sound stewardship and value creation, while walking the fine line between entrepreneurship and caution. At the same time, they need to view the right information, whether it's the big picture, exacting detail, or somewhere in between.



During one of the most difficult and volatile economies of modern times, financial organizations are struggling to achieve excellence.

On a daily basis, they encounter persistent challenges, such as ongoing market instability, ever-changing regulations, and increasing pressure on margins. Plus, the speed of financial operations is accelerating, requiring access to insight on the go – anytime and anywhere.

Finance executives are tasked with cutting costs and providing insight into the financial impact of decisions. To achieve these goals in this high-pressure environment, finance organizations must rely on best practices that help them achieve excellence and drive business results.

With the right solutions, finance organizations can excel and become a strategic advisor to the entire business. They can help ensure regulatory compliance and effective risk management, outperform financial objectives, create sustainable value, and deliver superior service at reduced cost.

3x

Lower finance cost as a percentage of revenue for top-quartile organizations versus bottom-quartile organizations

Source: SAP Performance Benchmarking



Finance

SAP Solutions

Finance

Priorities

SAP Solutions

76%

Higher operating margins, where financial systems provide historical and forward-looking views into financial and operational performance

Source: SAP Performance Benchmarking

Excel with best practices that facilitate 360-degree processes.

In the face of sustained market volatility, increasingly complex regulatory requirements, and growing pressure on margins, financial organizations must enable their staff to collaborate more efficiently and use business insight more effectively.

Financial Planning and Analysis

Define and execute organizational strategies, manage financial plans and forecasts, and increase profitability.

Accounting and Financial Close

Deliver a fast, accurate, compliant close and regulatory disclosures with less cost and effort.

Treasury and Financial Risk Management

Achieve greater insight and control over complex processes for managing cash, liquidity, and risk.

Collaborative Finance Operations

Automate transactional processes to improve efficiency, effectiveness, collaboration, and service at lower costs.

Enterprise Risk and Compliance Management

Protect revenue and optimize financial performance with risk and compliance management.

Benefits

- Provide forward-looking insights
- Deliver accurate financial data
- Enhance efficiency at lower cost
- Help ensure regulatory compliance



Procurement

SAP Solutions

Procurement

Priorities

SAP Solutions

While companies often focus on revenue, procurement savings can increase profits with far higher impact. The key to maximizing procurement's success in this critical role is to deliver consistent quality, savings, and compliance over time. That calls for innovative solutions that boost efficiency and insight.



Procurement leaders set a baseline for success by implementing best practices, excelling in category expertise, and working with key stakeholders on cost-control programs.

While savings is always a priority, new objectives have emerged as well. Procurement must manage supplier risk and performance, improve process efficiency, drive innovation, and ensure sustainability practices.

You need solutions that give you the tools to cut costs, as well as add value. These tools need to support processes including spend

analysis, sourcing, contract management, operational procurement, services procurement, supplier information, risk and performance management, and invoice management. At the same time, procurement plays a role in helping finance optimize the company's cash position through discount management programs.

These tools, when connected to and facilitated by an unparalleled collaborative business network, drive real-time insight and efficiency that can only be delivered through the "power of many."

60%

Improvement in annual average savings by leveraging technology for sourcing and procurement processes

Source: SAP Performance Benchmarking



Procurement

SAP Solutions

Procurement

Priorities

SAP Solutions

55%

Lower FTE per billion in spending for companies conducting electronic supplier collaboration on a network

Source: SAP Performance Benchmarking

Drive sustainable savings while supporting innovation.

Ensure best practices within the source-to-pay process in the cloud, while leveraging the “power of many” through network collaboration to realize greater efficiency, gain real-time insights, and achieve true procurement excellence.

Strategic Sourcing and Supplier Management

Find new suppliers through the Ariba Network, and manage these relationships through supplier management solutions. Identify and act on sourcing opportunities, and create favorable, low-risk supply contracts.

Procure to Pay with Business Network Collaboration

Realize savings with compliant, user-friendly self-service procurement; services procurement; and plan-driven procurement. Collaborating on the Ariba Network makes catalog management, purchase order collaboration, and invoice-related transactions even more efficient.

Business Network Extensions for Procure to Pay

Leverage the Ariba Network even further to drive advanced invoice automation and exception management. Manage cash by taking advantage of dynamic discounting opportunities.

Benefits

- Optimize spend under management
- Increase average annual savings
- Cut FTEs per billion in spend
- Drive innovation with suppliers
- Reduce cost and risk
- Accelerate turnaround



Information Technology

SAP Solutions

Information Technology

Priorities

SAP Solutions

Business enterprises should forge strategic business partnerships with their IT organizations by aligning goals. And business-oriented IT should maximize efficiency and responsiveness by running IT like a business.



Research shows that lines of business want to ascertain the value of their IT investments, which means that IT organizations no longer decide alone which IT projects to fund.

The challenge is that IT management is often seen as just running the technical landscape. To become more relevant to an enterprise, IT needs to reposition itself to run like a business.

SAP offers an integrated portfolio of solutions to do just that. New technologies like mobile, in-memory, and cloud computing generate value to a business in an unprecedented way.

However, these new technologies also make IT landscapes more complex, requiring more tools to manage them. By leveraging SAP solutions along with following best practices – CIOs, CEOs, other executives, management, and employees can tap into and help ensure efficiency, continuity, and responsiveness, making IT more strategic to the business.

Information Technology

SAP Solutions

Information Technology

Priorities

SAP Solutions

Evaluate and control risk, enable flexibility and scale, control and optimize costs, and maximize strategic value.

Promote business continuity, drive efficiency, and increase IT responsiveness to business objectives – with IT management solutions designed for any size business.

Application Lifecycle
Management

Use application lifecycle management best practices, methods, and services based on Information Technology Infrastructure Library (ITIL).

IT Infrastructure
Management

Monitor all network assets to integrate infrastructure and application lifecycles.

IT Portfolio and
Project Management

Manage projects and align the portfolio to drive innovation efficiency.

IT Service
Management

Align service-desk operations with service-level agreements (SLAs), resolve SLA incidents fast, and adopt ITIL best practices to meet evolving business goals.

IT Strategy and
Governance

Track IT costs and risks and map risk and compliance activities to business impact.

Benefits

- Better align IT to business strategy
- Shorten IT delivery and business cycles
- Maximize return on IT
- Reduce system upgrade and operation costs
- Lower risk mitigation cost and revenue loss
- Reduce critical business system downtime



Technology and Platform

SAP Solutions

Technology and Platform

Priorities

SAP Solutions

Technology solutions can make the difference between surviving and thriving. And businesses know that they need to innovate to drive transformation. Technology and platform solutions from SAP enable quick adoption of cutting-edge technology to run the business better and faster with agility and innovation.



Users expect to run a real-time business with collective insights from real-time analytics for better decision making, prioritization, forecasting and modeling of outcomes, and access to applications from the latest mobile devices. They demand that these capabilities seamlessly integrate with their favorite social platforms, allowing cross-stakeholder collaboration.

At the same time, data volumes are exploding while the window for capitalizing on opportunities is shrinking. Users must be empowered with information from real-time applications available securely on any device. And developers need a platform to innovate faster.

SAP enables the real-time enterprise with an innovative data platform to power a new class of real-time analytics and applications that give businesses a true competitive advantage. Companies can harness the value of Big Data, while improving governance with timely, trusted, and consistent information.

Plus, SAP provides a comprehensive set of cloud solutions, including line-of-business applications as well as social and business network collaboration. SAP HANA Cloud Platform enables customers to build new apps or extend and customize existing ones with managed and subscription-based services.

Technology and Platform

SAP Solutions

Technology and Platform

Priorities

SAP Solutions

Drive transformation and help the business thrive with technology.

Technology and platform solutions from SAP enable the real-time enterprise by unleashing the power of collective insights, empowering developers to innovate, and unwiring the business.

Big Data

Achieve tangible results on every business priority by accelerating how users acquire, analyze, act on, and apply insights continuously.

Real-Time Enterprise

Power a new class of real-time analytics and applications with an innovative data platform to give businesses a true competitive advantage.

Real-Time Analytics

Unleash collective insight through enterprise business intelligence, agile visualizations, and advanced analytics on any device and platform.

Enterprise Mobility

Deliver a platform for mobile development and security to innovate employee and consumer apps for any mobile device.

Enterprise Information Management

Maximize the value of business data – both structured and unstructured – across the organization.

Application Integration

Integrate application delivery to maximize agility across people, processes, and systems – within and beyond the SAP software landscape.

Cloud Solutions

Extend existing on-premise apps and infrastructure to enable new innovative business processes, gain greater insights, and unlock new business value.

Benefits

- Enable real-time operations
- Lower time to value
- Turn data into an enterprise asset
- Innovate customer engagement



SAP Innovations

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

95%

Of mill products companies recognize technology innovations will impact business, while only 40% are ready to realize benefit from them

Source: SAP Performance Benchmarking

Accelerating data processing, analysis, and provisioning via new technologies, such as in-memory computing and mobile apps, and leveraging new cloud-based deployment options provide unprecedented opportunities to the industry for transforming business models and position for sustainable growth.



Mobile

Mobile apps from SAP enable all aspects of company operations to run faster and smoother by providing employees with access to critical information anytime, anywhere and at the same time allow them to capture data on the spot – eliminating paper-based processes and bringing data instantly into the back-end software system where all stakeholders will have immediate access to it.

Cloud

The cloud solutions from SAP and its partners provide a new way to deliver extraordinary potential for mill customers to run their businesses better and faster.

Analytics

Companies on the road to becoming best-run organizations need to know how their current operations are performing and set appropriate performance targets. The complete set of business analytics tools and valuable business content from SAP deliver the means to become best-run businesses.

Big Data

Big Data creates big opportunities. Maximizing asset availability while reducing maintenance costs is one example, but also in areas of finance, commodities, and complex reporting requirements, the SAP HANA platform can enable new business processes.



SAP Business Suite powered by SAP HANA

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

SAP Business Suite software powered by SAP HANA enables mill products companies to get instant, 360-degree insights into customer data to offer them the right products at the right time. These products are efficiently planned and produced faster and better with SAP Business Suite – at lower cost.



Profit-Driven Supply Chain

Make better decisions supported by real-time information, including forecasting, stock coverage, and supply projection. Achieve process efficiency in procurement processes. Optimize purchases in a comprehensive, complete, and real-time working environment allowing complete visibility into end-to-end procurement activities.

Plant and Asset Operations Excellence

Benefit from more frequent and precise reorders enabled by faster material-requirements-planning runs in shorter cycles. Readily check production-order readiness for better production sequences. Make up-to-date scheduling of maintenance operations through more frequent planning. Improve efficiency with real-time stock insight and inventory monitoring.

Sustainable Customer Relationships

Create additional sales opportunities using context-based recommendations from real-time data. Identify the most profitable customers, using account intelligence analytics, and focus on them. Accelerate the quote management process. Optimize the payment and collections process.

The SAP HANA Platform

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

53%

Of organizations report a big gap between the availability of Big Data and their ability to analyze it for insights

Source: SAP Performance Benchmarking

Manufacturing companies have Big Data issues. Studies show that manufacturing data has increased up to 1,000 times in the last 10 years. Manufacturers that can handle Big Data can gain advantages in manufacturing, supply chain, and financial processes.



Maximize Return on Assets

Using the SAP HANA platform and analytics solutions from SAP, companies can reduce maintenance costs while increasing asset availability. They can also optimize production output by tracking overall equipment effectiveness, from plant level to work centers, to determine where inefficiencies are and how to alleviate them.

Deliver on Customer Expectations

Being able to visualize large amounts of data creates unprecedented visibility into inventory and supply chain performance and helps companies deliver on customer expectations in quantity, quality, and on-time delivery. They can use SAP HANA to track, trace, and understand their products better at the characteristic level, and they can find and spontaneously offer alternative products.

Mitigate Risk and Uncertainty

Using SAP HANA to combine Big Data from external and internal sources to understand future commodity price trends, companies can gain insight into financial transitions to identify and deter fraudulent activities. They also gain confidence in strategic decisions by tracking execution.

Mobile

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

22%

Fewer days in inventory where a higher percentage of warehouse and inventory management employees have mobile access

Source: SAP Performance Benchmarking

Enterprise mobility is a must-have for the mill products industry. Executives, sales representatives, shop floor, and maintenance workers are increasingly adopting mobile technology as they clearly recognize the opportunities to bring more efficiency, simplicity, and speed to their daily work.



Much of the world today operates in a mobile environment, as business processes no longer require employee access to physical desktops or landlines. Employees, customers, partners, and the rest of the business ecosystem have become mobile. Enterprise mobility makes business processes more efficient and more cost-effective for executives, line-of-business managers, business analysts, and individual users.

Mobile apps can make this happen within the mill products ecosystem. In sales, orders can be entered quickly, while product availability, pricing, and delivery dates can be confirmed on the spot. With mobile apps, employees have visibility into the supply chain anytime, anywhere. They can verify that all operations are running smoothly and, if not, react quickly and effectively to any exceptions or disruptions. In manufacturing, mobile apps enhance operations and provide easier access to work order, inventory, shift change, and scheduling data.

Enterprise mobility also allows mill products companies to provide exceptional customer service while lowering delivery costs, thereby increasing customer loyalty and improving profit margins.

Analytics

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

20%

Higher availability of real-time, predictive insights when a higher percentage of strategic key performance indicators are tracked using business intelligence tools

Source: SAP Performance Benchmarking

Business value is determined by consistently meeting customer demands for quality and on-time delivery. But lacking knowledge about current operational performance, how do companies improve? SAP delivers key analytic and business intelligence tools to support the journey to best-run performance.



Maximize Return on Assets and Increase Margins

Constrained by shrinking operational budgets, business managers need to get the most from investments in machinery. SAP Asset Analytics software uses data from the SAP Enterprise Asset Management solution to assess risk and identify bottlenecks and root causes.

Deliver to Customer Expectation

Global operations require extensive supply chains that must be managed to meet customer expectations. The SAP Supply Chain Performance Management analytic application provides transparency and early warning of issues and helps improve customer satisfaction while reducing working capital.

Accurate net margin is difficult to calculate. Best-run businesses have transparency into operational costs and can improve profitability by simulating what-if scenarios.

Make Decisions Confidently and Execute Strategies

Balance customer expectations with efficient production via sales and operations planning (S&OP). Align sales forecasts with production plans. S&OP allows collaboratively planning, iteration, and simulation for achieving an optimally aligned strategic plan.

Cloud

SAP Innovations

Applications

The SAP HANA Platform

Mobile

Analytics

Cloud

85%

Believe cloud will have a major impact on their organizations, through efficiencies, innovation, or competitive differentiation

Source: SAP Performance Benchmarking

SAP and its partners provide cloud solutions that open up new possibilities for mill products companies to run their businesses better and more economically and gain access to a vast network of global customers and suppliers, even in remote areas on all continents.



Profit-Driven Supply Chain

Solutions from Quadrem Network and Ariba, an SAP company, bring access to a vast network of customers and suppliers.

The SAP Jam social software platform brings together people, information, and processes for secure collaboration. On-demand solutions enhance supply chain performance and include functionality for social networking, strategic sourcing, contract lifecycle management, and supplier management.

Operations Excellence

The SAP Product Safety Management OnDemand solution promotes compliance with product regulations and has regulatory content built in.

BizX Suite from SuccessFactors, an SAP company, allows users to set up local mill operations instantly; hire and reward employees worldwide; and reduce costs and gain organizational flexibility while promoting compliance and safety.

Sustainable Customer Relationships

The SAP Sales OnDemand mobile app enables users to efficiently manage customer accounts. The sales force can spend more time selling and less time on administrative tasks, with integration with the SAP ERP application or external applications.



Best-Run Customers

Best-Run Customers

10 of the top 10 paper producers run SAP.

ArcelorMittal

9 of the top 10 copper producers run SAP.

Concretos Cruz Azul

7 of the top 10 aluminum producers run SAP.

HBIS Tangshan

7 of the top 10 steel producers in Europe and America run SAP.

Mohawk Carpet

Vallourec

Votorantim Celulose

Woodgrain Millwork

Why SAP?



Customer Co-Innovation

Best-Run Customers

ArcelorMittal

Concretos Cruz Azul

HBIS Tangshan

Mohawk Carpet

Vallourec

Votorantim Celulose

Woodgrain Millwork

Why SAP?

SAP co-innovates with leading mill products companies to identify priorities and drive new ideas. Member companies lead co-innovation in areas like manufacturing, plant maintenance, supply chain planning, and transportation management.

Advisory Councils

CIOs of top mill products companies gather to discuss innovation, technology, and best practices on managing in a volatile and complex economic environment.

Co-Innovation Partners

- Consulting and system-integration partners
- Value-added resellers in, for example, supply chain optimization, price and margin management, or enterprise content management



ArcelorMittal

Best-Run Customers

ArcelorMittal

Concretos Cruz Azul

HBIS Tangshan

Mohawk Carpet

Vallourec

Votorantim Celulose

Woodgrain Millwork

Why SAP?

ArcelorMittal Brasil is one of Latin America's main steel-making companies with a significant presence in the long and flat carbon steel sectors.

The company chose the SAP Environment, Health, and Safety Management application to replace its disparate collection of legacy health and safety solutions. As a result, ArcelorMittal Brasil standardized its processes and set a benchmark for excellence within the global ArcelorMittal group.

Key Benefits

- Greater access to consolidated environment, health, and safety (EHS) data with online analytics and management reports
- Single solution for standardized EHS management
- Real-time integration of EHS practices throughout facilities and business areas
- Improved collaboration with health service providers, clinical labs, and insurance companies

80%

Less time to complete accident investigations and reports

50%

Improved effectiveness of medical exam programs

50%

Improved effectiveness of EHS action plans

“The ability to easily access employees’ health indicators and make sure that the occupational health processes are being conducted accordingly shows us, on a daily basis, the benefits of using SAP EHS Management.”

Enilson Miranda Santos, Personnel Administration Manager,
ArcelorMittal Brasil





Best-Run Customers

ArcelorMittal

Concretos Cruz Azul

HBIS Tangshan

Mohawk Carpet

Vallourec

Votorantim Celulose

Woodgrain Millwork

Why SAP?

Concretos Cruz Azul revolutionizes its cost system for improved profitability.

Concretos Cruz Azul is a 100% Mexican-owned company producing and distributing premixed concrete. It is now the third-most-important company in Mexico in this sector and has over 40 concrete batching plants. To gain accurate control of information, Concretos Cruz Azul chose the SAP Profitability and Cost Management application.

Key Benefits

- Granulated profitability, thanks to cost system implementation with activity-based costing methodology
- Better alignment between production and purchase
- Production planning based on costs and operating expenses

33%

Fewer staff involved in cost processes

2%

Lowered level of unprofitable sales

8%

Increased efficiency in production

“The accurate, timely, and high-quality information we get thanks to our SAP implementation gives us confidence and assurance to move forward in decision making.”

Humberto Tapia, IT Manager, Concretos Cruz Azul





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Why SAP?

The iron and steel industry is facing tough times in today's marketplace.

In order to meet quality demands, management needs tools to better monitor equipment, materials, and budgets. HBIS Tangshan Iron and Steel deployed the SAP Enterprise Asset Management solution with its existing SAP ERP application, resulting in fewer spare parts and lower maintenance and overhaul costs.

Key Benefits

- Automated, standardized, and transparent equipment management
- Better management of spare parts resulting in lower inventory levels
- More efficient budget control for easier monitoring and faster distribution

425 million

Yuan saved in maintenance costs

59%

Reduction in overhaul costs within 6 months

21%

Fewer spare parts consumed per ton of steel

“The new plant maintenance solution has helped us improve the condition of our equipment, which means fewer malfunctions and accidents. Not only does this increase safety for our workers, it saves us money as well.”

Wang Lanyu, Executive Deputy General Manager, HBIS Tangshan Iron and Steel Group Co. Ltd.





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Why SAP?

There are so many things to consider when picking out flooring or carpet. Apart from material, color, and style, there are questions about cushion, twist, glaze, and underlying slab.

To target customers for specific pricing and promotions, Mohawk developed a mobile app to run with the SAP Customer Relationship Management (SAP CRM) application. The sales team now has a complete customer view, plus analytics and sales tools, online or offline, right on their iPads.

Key Benefits

- More personalized relationship between representatives and customers
- Greater productivity, thanks to complete and timely access to customer information on an iPad, both online and offline
- Stronger sales and a better customer experience by allowing sales teams to create more tailored customer interactions and sales plans

99%

Fewer quoting errors

US\$500,000

Revenue increase, thanks to greater quote efficiency

30%

Less time spent by sales reps on administrative work each week

“SAP CRM, delivered by Liquid Analytics, has dramatically improved the Mohawk customer experience, adding great value to our business. It helps our reps focus on the most important items for each individual customer, enabling a more personalized conversation.”

Brian Nooney, Director of Sales Solutions, Mohawk Industries Inc.





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Why SAP?

Vallourec is a world leader in premium tubular products for oil and gas, energy production, and other industrial applications. The company has tube production down to a fine science.

Vallourec needed common, efficient HR processes across its global enterprise. With cloud-based SuccessFactors software as the basis, the firm created standard, integrated HR cycles that greatly boosted productivity. Implementation was much faster and less expensive than with traditional software, and easy access to data in the SAP ERP application was a key enabler.

Key Benefits

- Increased HR staff productivity
- Improved visibility into talent pools for succession planning
- Increased employee loyalty and retention

99.7%

Engagement in formal HR processes, up from 50%

30%

Less time needed for performance reviews

5x–10x

Less expensive implementation

“The speed of implementation, ease of use, and cost savings associated with SuccessFactors software have made all the difference to our HR experiences and ability to perform as a global company.”

Philippe Ferrie, Worldwide Employee Relations Coordinator and HRIS Director, Vallourec





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Why SAP?

Votorantim Celulose e Papel S.A. (VCP) – one of Brazil’s largest pulp and paper producers – is known for its leading business practices. This award-winning company manages the entire process, from growing the pulpwood to distributing the finished goods to more than 50 countries worldwide.

Manual risk management controls were making it difficult for the company to maintain the level of access security required by Sarbanes-Oxley (SOX) regulations. Reliance on lengthy spreadsheets, for example, limited visibility. To institute a new access governance model, company executives chose the SAP Access Control application.

Key Benefits

- Certified SOX compliance
- Company-wide awareness of the importance of effective risk management
- Ability to identify access vulnerabilities and exception cases
- Automated, rules-based tools used across corporation, reducing costs

91%

Reduction in
number of access
conflicts

74%

Faster audit cycles

“At VCP, we have evolved from a risk-correction culture to a risk-mitigation culture. Now, all our business areas are fully aware of the potential impact of unmanaged risk.”

Celso Yao, Risk Manager, Votorantim Celulose e Papel S.A.





woodgrain millwork

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Woodgrain Millwork

Why SAP?

With a significant number of employees located in 16 U.S. manufacturing and distribution locations that service nearly 800 big-box retail stores, Woodgrain Millwork Inc. is one of the world’s largest millwork companies.

To reduce cost and improve efficiency, Woodgrain standardized all employees on a biweekly payroll-processing cycle with the SAP ERP Human Capital Management (SAP ERP HCM) solution.

Key Benefits

- Implemented the solution on time and 15.6% under budget
- Avoided the expense of upgrading the legacy payroll application
- Increased payroll volume while reducing payroll-processing cycle time

67%

Faster payroll-processing cycle time

>90%

Reduction in annual payroll-processing cost

30%

Lower total cost of ownership over 5 years

“Based on firsthand experience with SAP ERP HCM, I can say without doubt that we made an excellent decision in choosing SAP as our solution provider and BestXperts as our implementation partner.”

Connie Moylan, Chief Information Officer, Woodgrain Millwork Inc.



Why SAP?

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Why SAP?

Leveraging the latest technology innovations, SAP for Mill Products solutions enable sustainable growth by safely optimizing asset performance, helping ensure reliable and profitable order fulfillment, and limiting risk.

Tightly Integrated Business Solutions

SAP offers the most comprehensive portfolio of solutions for the mill products industry, enabling companies to focus their key business processes and activities on assets and operations, while monitoring risk and compliance.

Leveraging Key Breakthrough Innovations

The SAP solution portfolio is based on the industry's most innovative technology foundation, including the SAP HANA platform, mobile solutions, analytics, and cloud solutions. They enable business process optimization and efficiency at the lowest possible cost.

40 Years of Delivering Value

The world's leading mill products companies, across every major industry segment worldwide, rely on SAP solutions to drive sustainable growth, profitability, and value to their customers.



Find Out More About How Your Organization Can Become Best-Run

Benchmark Your Performance

Position your organization for dominance in this new economy with the business performance benchmarking program from SAP – available free to SAP customers and select prospects. The SAP benchmarking program has helped more than 3,000 organizations assess their strengths, uncover areas for improvement, and identify best practices and IT strategies that generate clear, tangible value – not someday, but today.

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