

**Executive overview** 

May 2015



# Mill & Mining Industry Coverage

# Forest Products



- Solid Wood
- Plywood
- Particle Board

# Pulp & Paper



- Brown Paper
- Fine Paper
- Hygiene

# **Packaging**



- Paper Packaging
- Plastic Packaging
- Aluminum Packaging
- Glass Packaging

## Mining, Non Ferrous Met.



- Mining
- Copper
- Aluminum

# **Primary Metals**



- Flat Steel
- Long Steel
- Aluminum

## Fabricated Metals, Cable



- Mill Service Centers
- Cable
- ...

## Cement & Concrete



- Cement
- Ready Mix Concrete
- Concrete Products
- Aggregates

## **Building Products**



- Bathroom
- Windows
- Ceramics
- Flooring
- Roofing
- Furniture

### **Textiles**



- Yarn & Fibres
- Fabric
- Carpet & Rugs

# The mandate: manage increasing dynamics, complexity, and uncertainty in a global world

#### Mill Industry Trends:

- Mergers and increasingly De-Mergers/Spin-offs
- Sustainability & Regulations
- Shift in demand from developed world to emerging countries
- Increased volatility in commodity prices, currency and energy
- Raw material price management is key to maintaining profitability
- Slowdown in China
- High energy costs
- Sustainable cost control
- Focus on Process efficiency

Meet demand, proactively manage supply chain risks, and respond in real time to supply chain events

Collaborate more efficiently to reduce logistics costs and achieve superior customer satisfaction

Maximize return on assets with higher utilization while enabling safe, reliable, low-cost operations

Control price risk associated with raw material and energy supplies

Proactively manage *knowledge* and talent

## **Mining Industry Trends**:

Replacement of thermal coal with renewable energy and natural gas (fracking)

1

2

3

5

- Mergers and increasingly De-Mergers/Spin-offs
- Increase Productivity / Cost control
- Sustainability & Regulations
- Drop in Commodity Prices
- Significant cuts in capital expenditures

Integrate and *increase visibility* into mining assets and operations *with a scalable IT landscape* 

Safely optimize asset performance & utilization; Sustainably drive environmental, health, and safety programs

Profitably drive **commodity management** 

Globally manage complex supply chains and transportation networks

Proactively manage *knowledge* and talent

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# The business challenge: drive agility and sustainable growth while controlling operational costs

# **Primary Business Objectives**



Drive profitable order fulfillment



Maximize manufacturing and asset performance

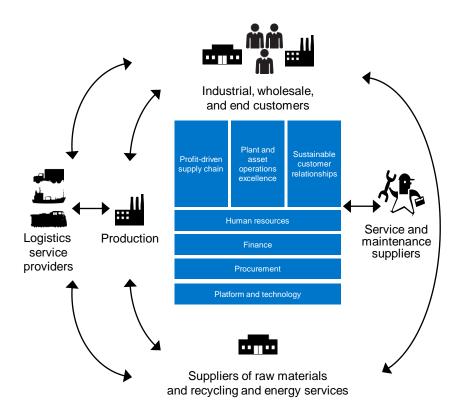


Enable revenue growth

# Key questions: How do we . . .

- Deliver the right quality products, in the correct quantity, on time, and profitably?
- Leverage best practices and standards across our global manufacturing assets and make best use of them?
- Empower sales with 360-degree customer insight, accurate forecasts & real-time pipeline visibility

# Mastering the challenge: driving top performance through simplified business processes



**Profit-driven supply chain -** Manage supply chains holistically – from purchase to delivery – with real-time data.



Plant and asset operations excellence -Streamline manufacturing and maintenance with predictive analytics, end-to-end integration and automation.



**Sustainable customer relationship -** Exceed the expectations of digitally connected customers by driving revenue and profitability with accurate forecasts and real-time pipeline.



# SAP portfolio: next-generation technology for business

#### **Mobile**



Unwire your business to deliver secure, real-time, business-critical information – anytime, anywhere, to anyone, on any mobile device.

#### Cloud



Capture the power of the cloud – while fully integrating with on-premise investments. Empower your employees, engage customers, and collaborate with partners across business networks.

# **Applications**



Run your business smarter, faster, and simpler, with an integrated suite of applications powered by SAP HANA – delivering long-term predictability and nondisruptive innovation.

# **Analytics**



Explore and exploit data, find answers in real time, and make confident decisions. Harness visually compelling, easy-to-use tools on the devices of your choice.

# **Database & Technology**



Simplify your IT infrastructure dramatically and drive high-value innovation by exploiting across structured and unstructured data sources.



A real-time business platform, powered by SAP HANA

# Value Map 2015 for the Mill Industry

# Differentiate in Commodity Markets

**Plant and Asset Operations Profit-Driven Supply Chain Sustainable Customer Relationships** Excellence **Profit-Driven Business Planning Production Execution and Visibility** Strategic Marketing Supply, Production, and **Order to Cash Including Asset Operations and Maintenance Order Response Management Configurable Products** Real-Time Network and **Asset Network Cross-Channel Commerce Manufacturing Insights Efficient Logistics and Order Environment, Health, and Safety Differentiating Service Fulfillment Commodity Management Quality Management and Compliance** Core Human Time and Vorkforce Planning Human Resources and Falent Management **Attendance** and Analytics Resources **Payroll** Management Treasury and Enterprise Risk **Accounting and** Collaborative Financial Planning **Finance** Financial and Compliance **Financial Close** Finance Operations and Analysis Risk Management Management **Strategic Sourcing** Procurement Self-Service Services Direct Procurement ravel Management and Excellence Procurement Procurement Supplier Management **Enterprise Analytics** Mobile **In-Memory Technology Platform Technology Technology Technology Technology** 

Interactive Version: Solution Explorer

# Solutions from SAP for profit driven supply chain



**Sales and Operations Planning** 

# What do SAP solutions help customers do?

#### **Profit-driven business planning**

Anticipate change and make adjustments to manage risks and opportunities

## Supply, production, and order response management

Increase customer loyalty and competitive advantage with short lead times and reliable delivery dates

### Real-time network and manufacturing insights

Analyze manufacturing data in real time to support contextual decisions while considering individual product specifications

### Efficient logistics and order fulfillment

Provide exceptional customer service and manage cost by delivering the perfect order

## **Commodity management**

Optimize commodity procurement, sales, and risk management to react quickly to market changes

# Typical results\*

33%

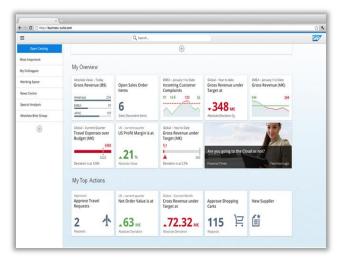
**Lower order-fulfillment lead time** when supply plans are aligned with actual demand\*

45%

**Fewer late shipments** with real-time visibility into order and labor status and inventory\*

<sup>\*</sup>Source: SAP Performance Benchmarking.

# Solutions from SAP for plant and asset operational excellence



SAP Fiori launchpad – use one entry point for all your manufacturing-related tasks

# What do SAP solutions help customers do?

### Production execution and visibility

Produce based on specifications, with real-time visibility, collaboration, and integrated operations

### **Asset operations and maintenance**

Keep assets up and running with effective maintenance planning, scheduling, and dispatching

#### **Asset Network**

Deliver services and parts when and where needed with real-time asset data and value chain support

## **Environment, health and safety**

Reduce environment, health, and safety risks to enable safe operations and business continuity

#### Quality management and compliance

Prevent manufacturing defects, sustain quality control, and enable continuous process improvement

# Typical results\*

**17**%

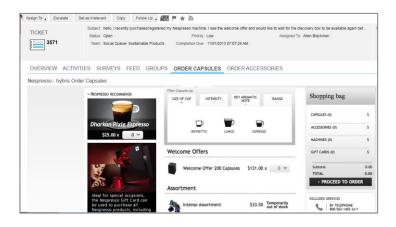
**Higher return on assets** where asset management systems are fully integrated\*

18%

**Lower cycle time** for production when KPIs are monitored and analyzed automatically\*

<sup>\*</sup>Source: SAP Performance Benchmarking.

# Solutions from SAP for sustainable customer relationships



Leading OmniCommerce platform and suite

# What do SAP solutions help customers do?

#### Strategic marketing

Leverage Big Data analytics to gain key customer insights and make smarter decisions

### Order to cash including configurable products

Collaborate on customer needs, deliver as expected, and enable a perfect order experience

#### **Cross-channel commerce**

Sell goods, services, and digital content through every channel with a uniform commerce experience

#### **Differentiating Service**

Optimize the entire complaint process and provide seamless support across channels

# Typical results\*

30%

Less time spent on administrative work each week\*

29%

Lower order receipt to ship time for organizations where key order management metrics are analyzed across dimensions such as customer and product\*

<sup>\*</sup>Source: SAP Performance Benchmarking.

# **Solution Highlights for Mill Products**

#### **Commodity Management**

#### **Finance**

- Simple Finance with embedded BW and BPC
- Simple Finance with Central Journal

#### **Human Resources**

SuccessFactors

#### **Procurement**

- Ariba Business Network
- Contingent Workforce Management

#### **Supply Chain & Logistics**

- Sales & Operations Planning
- APO PP/DS on ERP on HANA
- Transportation Management

# **Plant & Asset Operations**

- Predictive Maintenance
- MII on HANA

#### **Customer Relationship**

- Hybris B2B / B2C
- Cloud for Customer



# **BI / Analytics**

- BW on HANA
- Geospatial & Predictive
- Self-Service Analytics with Lumira

# The Journey on SAP – Where to Begin From?

# **SAP ERP Foundation Starter Value Map**

#### Request to Service (ERP) Procure to Pay (ERP) Plan to Product (ERP) Order to Cash (ERP) Sourcing and Contract **Order and Contract** Service Management (ERP) Production Planning (ERP) Management (ERP) Management (ERP) Service Parts Management **Operational Procurement** Manufacturing Execution Inventory and Warehouse (ERP) Management (ERP) (ERP) (ERP) Service Project Management Inventory and Warehouse Inventory and Warehouse Accounts Receivable (ERP) Management (ERP) Management (ERP) **Invoice and Payables Product and Project** Management (ERP) Management (ERP) Maintenance and Quality Management **Core Human Basic Human Resources** Time and Attendance Management Resources (ERP) (ERP Foundation) (ERP Foundation) **Core Finance** Accounting and Financial Close (ERP **Management Accounting** Travel Management (ERP (ERP) Foundation) (ERP Foundation) Foundation) Platform and **Technology Enterprise Technology** Analytics Technology Mobile Technology In-Memory Technology (ERP) (ERP) (ERP) (ERP)

# Mill Products industry leaders rely on SAP

**Profit Driven Supply Chain** 

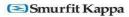


















Koehler



Plant and Asset **Operational Excellence** 















Sustainable Customer Relationships





















Finance and Human Resources

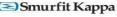
































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**Procurement** 













# Mill Products industry leaders rely on SAP (sample MENA customers)

























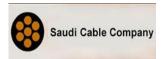






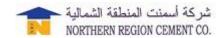














# Thank you!