

Demand-oriented sales planning and production control within the steel industry's added-value chain

Ispat International N.V., the world's eighth-largest steel producer, is introducing an integrated Supply Chain Management solution. This is the most extensive achievement by mySAP.com in conjunction with SAP Industry Solution Mill Products in the steel sector to date. The IT service provider itelligence AG is responsible for the planning and enterprise-wide implementation of the SAP R/3 components.

Frankfurt, September 13, 2001 – Large fluctuations in demand, significant differences in the quality of goods produced and the pressure of keeping up to date with customer requirements are all characteristics of the steel industry. "We see a great potential for savings as a result of better synchronizing orders and products in stock. To these ends we need meaningful information with regard to the steel goods required, the form of delivery, appropriate further handling and at the same time an adjustment in the inventories available for delivery. This enables us to better produce in line with demands and to ship at short notice," explains Gerhard Renz, President and Chief Operating Officer of Ispat Europe S.A.

Ispat International supplies over 16.4 million tons of steel globally and has a total of 17,800 employees in offices in seven countries. The steel producer's aim in implementing an IT system is to enable it to more flexibly adapt delivery and production processes to the fluctuating demands of the market.

With this aim in view Ispat plans to use a uniform solution that is based on mySAP.com and which includes functions such as materials management, maintenance, sales development, financial accounting, fixed asset accounting, treasury, controlling, cross-plant production planning and production control, as well as mySAP Industry Solution Mill Products, the industry solution for the steel sector.

By utilizing a cross-location planning tool and by replacing production-related systems to achieve seamless control and management of material movement, Ispat expects a considerable reduction in material on hand and through-put times. mySAP.com's SAP Advanced Planner and Optimizer (SAP APO) and SAP Business Information Warehouse (SAP BW) application components are to be used.

In order to meet the steel industry's requirements along the whole of the complex value-added chain, itelligence, as SAP partner responsible for implementation, realized a system to achieve continuous business control from raw material planning to profit planning. The use of SAP Industry Solution Mill Products offers the steel producer a host of additional benefits. This solution includes special functions that are tailor-made to the requirements of the steel sector, such as a sentinel-based search function for material on hand, configuration of variants including selecting sentinels in a rapid data entry mask, and volume calculations for sales orders.

The first stage of the introduction of mySAP.com and SAP Industry Solution Mill Products will be realized on a cross-location basis for the Ispat plants in Hamburg, Duisburg Ruhrort and Duisburg Hochfeld. Sites in other parts of the world are also to be integrated.

"This is one of the most extensive introductions of mySAP and SAP Industry Solution Mill Products. The project is to be carried out by itelligence AG, a certified SAP Partner who is a leader in the field of system integration for the steel industry. This is an outstanding example of the success of our partner concept in practice – the combination of SAP technology and specialized industry know-how," confirms Wolfgang Grahner, Manufacturing Division Manager of SAP Deutschland AG & Co. KG.

About Ispat Deutschland GmbH:

Ispat Deutschland is a member of Ispat International N.V., the eighth-largest steel producer in the world with locations in seven countries. Ispat Germany itself comprises the Duisburg plants (Duisburg Ruhrort and Duisburg Hochfeld) and Hamburg. Together, the mills in Hamburg and Duisburg have taken on a leading role in the area of high quality wire rod products within the European market.

About itelligence AG:

itelligence AG, a leading international IT and SAP full service provider, employs 1,500 highly qualified consultants at 44 branches in 19 countries. The range of services comprises specialized vertical SAP solutions and proprietary individual software technologies complemented by full integration of highly complex IT and e-business systems including outsourcing and services.

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