



ALTOS HORNOS DE MÉXICO S.A. DE C.V.

STEEL MANUFACTURER DRIVES SERVICE IMPROVEMENTS WITH SAP® CRM

QUICK FACTS

Company

- Name: Altos Hornos de México S.A. de C.V. (AHMSA)
- Location: Monclova, Mexico
- Industry: Mill products – metal products
- Products and services: Steel manufacturing
- Employees: 7,700
- Web site: www.ahmsa.com
- Implementation partner: SAP® Consulting

Challenges and Opportunities

- Improving customer service as a competitive differentiator
- Disparate sources of customer information across multiple locations
- Poor company-wide visibility of customer information

Objectives

- Establish a unified platform to store and access customer data
- Integrate sales and customer service processes across the organization
- Increase insight into customer relationships
- Provide improved support for management decision making

SAP Solutions and Services

- SAP Customer Relationship Management application
- SAP Project Management and consulting services provided by SAP Consulting
- SAP Ramp-Up program

Implementation Highlights

- Rollout to 127 users at 5 locations
- Close teamwork between SAP project manager, consultants, and AHMSA personnel
- Support from the SAP Ramp-Up organization
- Swift issue resolution by SAP project manager through direct access to experts in the SAP software ecosystem

Why SAP

- Previous positive experience with SAP software and SAP Consulting
- Specialist industry and software expertise

Benefits

- Improved company-wide visibility of customer data
- Ability to forecast future customer requirements
- More efficient sales and customer service processes
- Strong foundation for future service improvements

Existing Environment

SAP ERP application

Third-Party Integration

- Database: Oracle
- Hardware: HP
- Operating system: UNIX

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Crescencio Fuentes,

Competence Center Manager,
Altos Hornos de México S.A. de C.V.



ALTOS HORNOS DE MEXICO

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Without a single, unified solution to help it manage customer information effectively, Mexico's largest steel manufacturer – Monclova-based Altos Hornos de México S.A. de C.V. (AHMSA) – was struggling to make the service improvements it needed to drive competitive advantage. “Account information and details of customer interactions were recorded on different spreadsheets and databases, making it difficult to find information required for everyday tasks,” explains Cresencio Fuentes, competence center manager at AHMSA.

To address this obstacle to improvement, the company decided to implement the latest version of the SAP® Customer Relationship Management (SAP CRM) application, leveraging SAP Project Management and consulting services provided by the SAP Consulting organization. As a result, AHMSA is streamlining its sales processes and improving customer service.

Single Source of Customer Information

Producing more than 3 million tons of steel each year, AHMSA holds a 20% market share in Mexico and is also active in international markets. This fully integrated steel company operates its own iron ore and coal mines. The main steel products it manufactures are steel plate, hot- and cold-rolled coil, tin-free steel, tin plate, and light and heavy structural shapes.

As part of a strategic modernization initiative, AHMSA wanted to improve both the quality of customer service and the efficiency of sales and service processes.

The company's SAP solutions already provided access to information about customers' commercial transactions such as sales orders, shipments, invoices, and accounts receivable. However, AHMSA realized that to achieve its goals for improved customer service and increased efficiency, it also needed to consolidate information gathered from other day-to-day interactions with customers.

“This kind of information – such as customer-related contacts, meetings, commitments, and requests – was gathered manually by our customer care reps,” says Fuentes. “The information couldn't be shared among the interested parties in our organization. We needed the information all in one place so that we could use it as the basis for the improvements we planned to make.”

SAP Software: The Natural Choice

AHMSA began the search for a single customer relationship management solution that could unify information company-wide and support integrated processes.

With the SAP ERP application already part of AHMSA's enterprise management infrastructure, the latest version of SAP CRM was the natural choice. “Employees were already familiar with the SAP ERP interfaces, so we were confident of a smooth transition,” says Fuentes.

Structured Approach

Without the necessary resources in-house, AHMSA brought in SAP Consulting to deliver SAP Project Management and consulting services. By leveraging specialist SAP software expertise, project leadership skills, and unrivalled access to experts in the SAP software ecosystem, the SAP project manager ensured that the implementation went as smoothly as possible. To provide a structured framework for phased project execution, the SAP project manager used the ASAP methodology. This approach incorporates clear stages for defining, documenting, and controlling the different phases of a project; these stages include business blueprinting, configuration, testing, and rolling out the solution.

According to Fuentes, adopting this structured approach was extremely beneficial. “Using the proven ASAP methodology, the SAP project manager ensured that the project was well organized,” he remarks. “Everything was properly documented, and we could be confident that every aspect was under control.”



“Having easy access to in-depth customer information will not only improve our operational efficiency, but it will also allow us to forecast future customer requirements. This will support strategic decision making and enable us to take the necessary steps to make service improvements in future.”

Cresencio Fuentes, Competence Center Manager, Altos Hornos de México S.A. de C.V.

Learning Curve

Although the project leadership and clear framework provided by SAP Consulting contributed significantly to the success of the project, the experience was not entirely obstacle-free. “As we were implementing the latest version of SAP CRM, there was quite a learning curve for all involved,” comments Fuentes.

Support provided through the SAP Ramp-Up program, along with direct access to expertise within the SAP software ecosystem provided by the SAP project manager, ensured that any issues were resolved quickly. But Fuentes also attaches great importance to the excellent working relationship

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between the AHMSA staff and SAP experts. “We worked very well as a team,” he says. “The SAP project manager was always receptive to any observations we had – she listened and responded appropriately, escalating issues for swift resolution where necessary.”

Foundation for Change

Over a 12-month period, the joint AHMSA-SAP implementation team rolled out the SAP CRM application to 127 users in five different locations across Mexico. By offering functionality for activity and complaints management as well as for a customer interaction center, SAP CRM provides company sales executives and customer service reps with a tool to store and efficiently use information that the sales and service staff gather during their daily tasks.

Although it is still early, employees at AHMSA are already beginning to benefit from increased visibility of customer data. “Our sales and customer service

staff are still getting used to recording every interaction, but this is gradually becoming second nature,” says Fuentes.

AHMSA is confident that the solution will enable a fundamental change in the way that it relates to customers. “Having easy access to in-depth customer information will not only improve our operational efficiency, but it will also allow us

to forecast future customer requirements,” comments Fuentes. “This will support strategic decision making and enable us to take the necessary steps to make service improvements in the future.”

Transforming the Customer Experience

The journey toward customer service excellence continues at AHMSA. Thanks to extensive knowledge transfer between the SAP project manager, consultants, and AHMSA staff, the company’s own internal team is currently implementing Internet sales functionality within SAP CRM with only minimal support from SAP Consulting. This will allow customers to track and monitor their own orders. AHMSA is also considering an implementation of the SAP Advanced Planning & Optimization component to streamline supply chain management processes.

“We still have work to do, but we know that SAP CRM will help us to achieve our goals,” concludes Fuentes. “By transforming the customer experience, we will improve our service quality, increase customer satisfaction, and drive sales growth as a result.”

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