

An Enterprise Resource Planning Solution for Mill Products Companies

Driving Operational Excellence and Profitable Growth



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A comprehensive enterprise resource planning (ERP) solution can replace multiple IT systems, unify processes and data, and improve efficiency. It provides powerful and flexible functionality tailored to the needs – and budgets – of mill products companies, such as those in metals, forest products, paper, packaging, building materials, furniture, and textiles industries. You gain strategic insight to drive operational excellence and profitable growth and build the foundation for successfully executing business strategies.



What It Takes to Succeed in Mill Products

Success in the mill products industry – driving operational excellence and profitable growth – calls for action on several fronts:

- Meeting increased customer expectations
- Managing an increasingly complex supply chain
- Thriving in an environment of mergers and acquisitions

Leading companies know that operational excellence is key to addressing these and other challenges. But too often, manual processes, disparate systems, and information latency make it difficult to optimize business activities, control costs, and create efficiencies needed for competitive advantage.

A growing number of mill products companies are driving the trend of replacing patchwork systems with a single, comprehensive enterprise resource planning (ERP) solution. With an ERP solution, mill products companies can enable and improve enterprise processes, satisfy customer and supplier needs, and streamline mergers and acquisitions. An ERP solution helps companies like yours proactively meet changing market requirements and achieve operational excellence and sustainable, profitable growth. Industry-specific functionality provides powerful business tools to track and drive performance and profitability, integrating information with business processes, and enabling better

monitoring and control. With an ERP solution, you can streamline operations, improve efficiency, and reduce costs.

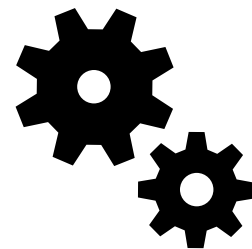
MEETING THE CHALLENGES OF LEAN TIMES

With an ERP solution, you can increase efficiency and adaptability while streamlining operations across development, procurement, manufacturing, plant maintenance, distribution, and sales. You can embed risk and compliance management into core business processes while gaining better insights into costs and profitability organization-wide. A comprehensive ERP solution makes it easier for others to do business with you.

PREPARING FOR BETTER TIMES

Implementing new systems is a strategic undertaking and requires contributions from the best people in your organization. This means that high operational demands during a bullish economy are often prioritized over new software projects. The present business environment, however, provides rich opportunities to transform end-to-end processes across the organization – by investing in people and IT systems to better navigate current challenges and profit from an economic recovery. An ERP implementation is also an opportunity to increase company expertise and productivity, as people who work on the project gain new business experiences and insight and share them with management and colleagues.

With SAP ERP, you can increase efficiency and adaptability while streamlining operations across development, procurement, manufacturing, and sales.



Growth, Complexity, and Profits

Efficiencies gained from interconnected data and processes foster not just growth, but growth that is manageable and profitable. Agile mill products companies that leverage an ERP solution have the advantage over traditional mill products companies that continue to rely on outdated and disparate systems.

SERVING CUSTOMERS

To win new customers and keep existing ones, your company needs to better understand customers and drive excellence in all areas of the business. Customers expect high-quality and customizable products; online access to pricing, availability, and delivery information; and value-added services. You want to provide a complete solution that satisfies your customers' requirements.

MANAGE AN INCREASINGLY COMPLEX SUPPLY CHAIN

To stay competitive and achieve sustainable profitability, mill products companies must extend their regional activities and utilize a global supply chain. Global activities include sourcing, manufacturing, and selling. Homegrown or point solutions often cannot support the increased complexity of the new supply chain. In-house developed, proprietary software is often difficult to maintain and adjust to constantly changing demands. Furthermore, with the aging and retirement of the workforce that developed these systems initially, important knowledge and expertise to maintain them is lost permanently. In addition to complicated and costly upgrades of installed third-party solutions, mill products companies often face the problem that

the software and technology are often outdated or no longer supported by the vendor.

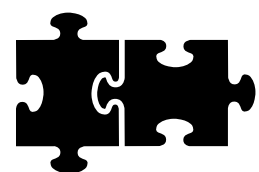
A comprehensive ERP solution supports the new requirements arising with the complexity of sourcing from, manufacturing in, and selling into new markets. It provides modular extension of your required functionality and long-term support as you grow.

GROWTH THROUGH CONSOLIDATION

Mergers and acquisitions are an important aspect of growth in the mill products industry. Many mill products companies have recently acquired or are seeking to acquire another company to expand into new territories or broaden product lines and services. However, consolidation has inherent challenges. Acquisitions create larger organizations requiring greater management capabilities, and they increase complexity by bringing together new people, products, and processes. Mergers often saddle the organization with legacy systems and custom applications running on a variety of operating systems and platforms.

All this can result in disconnected data and a lack of useful information about operations, finance, and customers. Inflexible systems can slow your response to changing business conditions. Satisfying your compliance requirements turns into a nightmare. IT costs are high – in terms of both capital and human resources – when you have to integrate and maintain numerous systems. In short, mergers and acquisitions, while often essential, can lead to disruptive, rather than profitable, growth.

SAP solutions help you gain visibility across all business functions to improve operational decision making, control, and strategic planning.



A Solution Tailored to Your Industry

Enterprise systems have often been perceived by mill products companies as out of reach, designed for larger, global organizations, and not meeting their industry-specific business requirements. Software applications and technology have evolved to make it cost-effective for companies of any size to successfully implement an ERP solution and accelerate business value. An industry-specific ERP solution provides comprehensive and flexible functionality for mill products processes.

COMPREHENSIVE FUNCTIONALITY

An industry-specific ERP solution supports a broad range of industry- and subindustry-specific processes, including demand and supply planning, procure to pay, warehouse management, production planning and execution, plant maintenance, order to cash, financial management, and business analytics. Because processes are handled on a single platform, the “siloing” of information and processes that can impair operational performance is greatly reduced – giving decision makers a single, unified view of key performance indicators.

MODULAR DEPLOYMENT

Because ERP technology is modular, it can be deployed flexibly. You can implement functionality to meet your most pressing business needs – perhaps finance or HR – and then add functionality

to support sales, procurement, manufacturing, plant maintenance, warehousing, and other requirements. A standards-based platform supports integration with third-party and custom applications, which means you can continue to use specialized or home-grown systems as necessary and connect them with the enterprise.

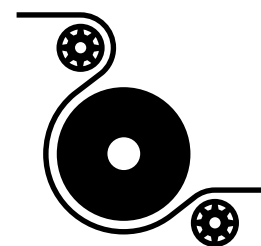
FAST IMPLEMENTATION

With mature, streamlined implementation processes, you can have an ERP solution in place in a few months, with minimal disruption to daily operations. A preconfigured application incorporates best practices developed together with mill products companies and systems integrators with years of experience in the mill products industry. A preconfigured ERP solution typically can be used as is, but the software can also be customized and personalized to individual specifications.

ENABLING OPERATIONAL IMPROVEMENTS

An ERP solution drives operational efficiency and profitability. You can centralize control over operations, reduce redundancies in back-office and logistics processes, and establish shared service centers to support processes such as human resources and finance. The software reduces or eliminates IT costs associated with developing, mapping, and maintaining legacy and point solutions.

SAP ERP supports industry-specific business requirements to drive performance and profitability, while enabling better monitoring and control.



Customer and supplier relationship management tools help meet rising expectations and enable new value-added services. Supply chain management tools help to orchestrate complex supply chains across regions. A single enterprise platform enables supplier consolidation and collaboration. It provides easy access to inventory levels and manufacturing capacities across locations. You can more easily analyze and share information with and extend processes to external partners, ultimately strengthening supplier and customer relationships.

A BETTER UNDERSTANDING OF PROFITABILITY

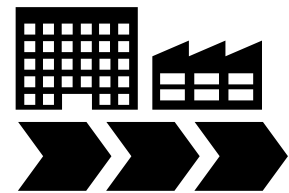
Powerful analytical tools help identify trends and patterns in areas such as operations and profitability. In an environment of decreasing product differentiation, it is difficult to drive profits through products alone. Mill products companies must focus on identifying and targeting the best products and the best customers. With an accurate

view of each customer's buying pattern and cost to service, you can better understand who your high-profit customers are and how to better serve them. You can analyze information and test scenarios to improve customer and product profitability.

MILL PRODUCTS COMPANIES BENEFIT FROM SAP® SOLUTIONS

The SAP® ERP application and SAP for Mill Products solution portfolio increase organizational efficiency and provide visibility across all business functions, improving operational decision making, control, and strategic planning. SAP solutions allow you to expand easily as you grow with the security of long-term vendor support. With the solutions you can realize a fast return on your investment. You can reduce IT spending by integrating and optimizing core processes and standardizing enterprise software on a single platform.

Build risk and compliance management into core processes while gaining better insights into costs and profitability organization-wide with SAP ERP.



SAP solutions improve gross margins and reduce cost of goods sold by optimized logistic and manufacturing processes. You can get a better view of profits and spending to initiate internal improvement projects and drive effective negotiations with suppliers and customers. You can increase revenue by improving order cycle times and service levels, optimizing pricing, and providing new value-added services.

Additionally you can reduce operating expenses by improving efficiency in manufacturing operations, boosting asset uptime and utilization, increasing warehouse personnel productivity and inventory turns, enhancing overall materials management processes, and expanding efficiency improvements to areas like accounting and controlling.

SAP ERP helps companies proactively meet changing market requirements and achieve operational excellence and sustainable, profitable growth.



LEARN MORE

The SAP® ERP application and SAP for Mill Products solutions support growth with flexible, industry-specific functionality. They help you to make better decisions based on current information and to adapt to new business opportunities.

The solutions support:

- Product development – Enable integrated product development processes
- Supply chain planning and execution – Help ensure consolidated, synchronized demand and supply planning
- Sourcing and procurement – Optimize vendor base, improve inventory turnover and cycle times, and reduce costs
- Manufacturing and warehousing – Optimize schedules and inventory levels, increase efficiency, and enable batch traceability
- Enterprise asset management – Plan, schedule, and execute plant maintenance processes
- Customer service – Streamline, automate, and integrate sales processes with other key processes, while efficiently managing complaints and material returns
- Operational compliance – Help ensure high product quality as well as process and document quality compliance
- Enterprise management and support – Enable comprehensive financial reporting, analytics, and operations support

To learn more, contact your SAP representative or visit us online at www.sap.com/industries/mill-products.



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