ARCELORMITTAL BRASIL

TRANSFORMING ENVIRONMENT, HEALTH, AND SAFETY MANAGEMENT

QUICK FACTS

Industry
Mill products

Revenue
US$8 billion (2009)

Employees
18,000

Headquarters
Belo Horizonte, Brazil

Web Site
www.arcelormittal.com

SAP® Solutions and Services
Protecting employee health and safety with SAP® Environment, Health, and Safety Management application

ArcelorMittal Brasil is one of Latin America's main steelmaking 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 Challenges

- Standardize and document health and safety–related processes company-wide
- Comply with Brazilian health and safety laws
- Support multinational operations
- Eliminate specialized solutions in place in various regions and business areas
- Control system maintenance costs
- Avoid business disruption with a fast and efficient implementation

Why SAP Was Selected

- Native integration with existing SAP® solutions
- Ability to integrate with company's other technology solutions
- Support for all health and safety–related processes and compliance mandates
- Comprehensive partner ecosystem for consulting and systems integration services

Implementation Best Practices

- Identified the desired technology landscape prior to project start
- Used ASAP methodology and implementation best practices
- Established a set of change management practices to guide the process transformation
- Integrated with SAP NetWeaver® Portal component for better employee service and partner collaboration

Low Total Cost of Ownership

- Completed project on time and within budget
- Reduced system maintenance effort and costs

Financial and Strategic 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
- Ability to negotiate better insurance rates
- Best practices that are disseminated throughout company

Operational Benefits

Key Performance Indicator	Impact
Effectiveness of EHS action plans	+50%
Effectiveness of medical exam programs	+50%
Identification of anomalies	+50%
Time to complete accident investigations and reports	-80%
Cost of occupational health exams	-40%
Time to generate professional graphic reports	-50%

ArcelorMittal

"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

www.sap.com/contactsap

Leading the Way in Latin America and Around the World

Founded in 2006 with the merger of Arcelor and Mittal, the ArcelorMittal group is the world's largest steel company, operating in 61 countries. In 2009 the company produced more than 73 million tons of steel – or about 6% of total global production. Operations at its ArcelorMittal Brasil S.A. subsidiary are no less impressive. There, the company's 28 industrial units have a combined annual production capacity topping 14 million tons.

This market presence demands a high level of corporate responsibility in all business activities. Ensuring the well-being of employees and contractors is a core value and with an expressed goal of achieving zero accidents, the company's management of environment, health, and safety (EHS) is a top priority. At ArcelorMittal Brasil, however, effective EHS management had once been such a challenge that it was impractical for the subsidiary to consider further growth and development.

The company's high-volume Latin American operations are spread out over several countries with different languages and regulatory requirements. In the past, there were five major EHS solutions across the regions and functional areas. This collection of solutions was complex, difficult to integrate with other corporate systems, and expensive to maintain. ArcelorMittal Brasil needed a single, integrated management solution to deal with the safety standards and labor laws at its many locations.

Ensuring a Solid Implementation

To find the best solution, the company thoroughly examined its operations in Brazil and Argentina: their individual EHS needs, existing infrastructures, and maintenance costs. Then company leaders evaluated the alternatives, including using software deployed elsewhere in the company or developing a solution internally. Ultimately, they chose the SAP® Environment, Health, and Safety Management (SAP EHS Management) application. The application's ability to integrate with SAP solutions already in place was a key factor in the selection.

Taking a best-practices approach, ArcelorMittal Brasil seized the opportunity to rethink existing processes. This enabled the company to eliminate control inefficiencies and avoid the complexities inherent in its legacy operations. Company executives were also determined to use the right people to help manage such an important project. This meant bringing in a consultant experienced in SAP EHS Management implementations at other Brazilian companies. In addition, ArcelorMittal Brasil organized technical visits to these companies to allow its doctors and managers to exchange ideas and discuss the challenges of embracing a new solution.

Using the ASAP methodology, the company rolled out SAP EHS Management in both Brazil and Argentina – completing the 18-month, two-phase project on time and within budget.

Forging Company-Wide Benefits

The benefits of the newly integrated EHS processes are already evident and include lower costs for general medical checks and more comprehensive employee health records. Further, greater transparency and access to information has helped ArcelorMittal Brasil negotiate better terms with insurance companies. And this visibility enables the company to compile EHS statistical data quickly within the first five days of each month.

Company executives are also keen to point out a significant benefit beyond the impressive metrics. Today, ArcelorMittal Brasil can manage its entire business more effectively with real-time integration of standard EHS practices throughout all production plants and administrative areas.

The success in Latin America has not gone unnoticed. ArcelorMittal Brasil's EHS management solution is recognized by the company's other subsidiaries as a global best practice – in fact, an example to be followed.

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