ARCELORMITTAL AÇOS LONGOS

SAP® PRODUCTS HELP STEELMAKER INCREASE LEVEL OF SERVICE AND SAVE ON TRANSPORTATION COSTS

ArcelorMittal is the world's leading steelmaker, with capacity to produce 130 million tons of steel a year. It has nearly 300,000 employees in 61 locations around the world. One of its Brazilian operations recently implemented the SAP® Advanced Planning & Optimization component to integrate transportation planning.

"The transportation and vehicle scheduling functionality in SAP Advanced Planning & Optimization closes the loop of logistical planning, enabling us to integrate the entire supply chain – from forecasting sales to delivering products to customers."

Marco Antônio de Oliveira Pinho,
Planning Manager, Long Carbon Central and South Americas, ArcelorMittal

QUICK FACTS

Company
- Name: ArcelorMittal Aços Longos
- Locations: Minas Gerais, São Paulo, and Espírito Santo, Brazil
- Industry: Mill products
- Products and services: Long rolled and drawn steel
- Revenue: R$11.3 billion (US$6.4 billion)
- Employees: 9,800
- Web site: www.arcelormittal.com/br
- Implementation partner: ArcelorMittal Sistemas

Challenges and Opportunities
- Continental distances
- Demand over a broad geographic area
- Multisite distribution system
- Cost of transportation and services
- Complexity in transportation planning resulting from the variability of products and breakdown of cargo
- Users' resistance to change

Objectives
- Reduce freight costs
- Increase cargo consolidation and make fewer deliveries per vehicle
- Reduce dead weight
- Increase the use of vehicles and reduce idle time
- Increase the level of service
- Increase visibility into operations
- Increase workforce productivity

SAP® Solutions and Services
- SAP® Supply Chain Management application
- SAP Advanced Planning & Optimization component

Implementation Highlights
- Successful implementation in all of ArcelorMittal Aços Longos' plants
- Integration of people, processes, and technologies as a key point of success
- Implementation periods ranging from 3 months to 5 months per plant

Why SAP
- Robust tool suitable for processing information that has a high degree of volatility
- Previous successful experiences with SAP products

Benefits
- Improved balance in the existing trade-off between level of service and cost of transportation
- Considerable improvement in meeting delivery dates without compromising delivery costs

ArcelorMittal

www.sap.com/contactsap

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