



ARCELOR MITTAL BRASIL, S.A.

STEEL MANUFACTURER IMPROVES PROJECT MANAGEMENT FROM PRE-SALE THROUGH PRODUCTION

Latin America's largest steel manufacturer, Arcelor Mittal Brasil, S.A., is responsible for one-third of the profits of Arcelor Mittal Group, which recently merged with Mittal Steel to form Arcelor Mittal. In 2005, Arcelor Mittal Brasil's revenue exceeded \$5.7 billion, and the company continues to expand operations across Latin American from its Brazilian headquarters.

An important component of Arcelor Mittal Brasil's operation is corporate engineering for specialised civil construction projects from pre-sales analysis through production. When a salesperson recognises an opportunity to offer a service, s/he sends the proposed project back to the main office for review by engineers who analyse and coordinate material requirements, pricing and other elements of the customer proposal.

Prior to implementing an OnBase solution, management of these high-value projects, which often encompass multiple solutions, was very disjointed because of the number of people who need to participate in the process and the multitude of documents in disconnected systems. A master Microsoft Excel® file was used to track projects by number, and this spreadsheet was associated with client folders stored on the file server. When a document was revised, the revision would be manually moved to another folder. In addition, there was a significant amount of e-mail and engineering documents that had to be managed and associated with the appropriate file. Customer service and reporting was often delayed while the three-person Project Department looked for documents and made calls to verify information.

Poor access to information affected other processes as well as project management. For instance, incomplete files sent to production could slow completion of the order, negatively affecting customer service. Because of a rigorous approval process, Arcelor Mittal Brasil did not experience errors, but the need to collect or clarify information could cause expensive delays. "These are such large

projects that any errors would have been catastrophic," comments Ana Paula Campos, Brazilian sales manager at Arcelor Belgo.

As part of a larger corporate effort to standardise practices and improve communication across its many divisions, Arcelor Mittal Brasil implemented OnBase enterprise content management (ECM) as a system for control of these technical projects. Far more than a document management solution, OnBase is the core application the Projects Department uses to manage project management documents in a centralised repository from the project inception, customer requirements gathering, project definition and all change request tracking until the final approval and production. Pricing, materials, quotes and all other information about a project is consolidated in this project management solution called SISCOP (Sistema de Controle de Projetos). Used by the entire sales force, engineers and the Projects Department, SISCOP manages an average of 15 active projects at any given time, totaling between 50 and 60 a month.

Designed and implemented by Stoque Global Services, an Authorised OnBase Solution Provider, the solution has allowed Arcelor Mittal Brasil to increase the number of sales, manage more of these specialised solutions without increasing staff, better track statistical information about sales and propagate best practices. Newton Afonso, CIO at Arcelor Mittal Brasil, points out that the solution met Arcelor Mittal's stringent analysis to conservatively demonstrate the business case for any investment prior to purchase.

CENTRALISED REPOSITORY, WORKFLOW PROMOTE COLLABORATION AND PRODUCTIVITY

When a salesperson has an opportunity that requires an engineering analysis and recommendation, s/he enters information about the potential client, including the

(continued)

AT A GLANCE

Arcelor Mittal Brasil, Latin America's largest steel manufacturer, has increased productivity, sales and collaboration in managing corporate engineering projects for lucrative civil construction projects from pre-sales through production by implementing an enterprise content management (ECM) system.

BENEFITS

- Doubles the success rate of sales proposals involving pre-sales engineering consultation and increases overall volume
- Reduces the potential for delays and errors in production
- Increases customer satisfaction through timely service
- Drastically reduces time spent searching for and verifying information
- Promotes collaboration across multiple departments and locations
- Improves ability to track and report on information, including sales activities

APPLICATION

- Sales
- Engineering
- Production

COMPLEMENTARY PRODUCT INTEGRATIONS

- SAP® ERP software

information about the project, criteria for the final product, SAP account number, tax identification number and the primary customer contact, into SISCOP. One of the seven applications engineers who work with the sales team reviews the information and determines whether it is a good opportunity, whether more information is needed and if it is similar to past projects.

If the opportunity is appropriate for Arcelor Mittal Brasil and sizable, the engineer approves it and sends it on to the Projects Department as well as a development queue assigned to a specific engineer. When there are multiple options for meeting a customer need, SISCOP allows engineers to analyse which option has been implemented most often and most successfully, resulting in a recommendation that combines the highest rate of success with lowest cost. Throughout the analysis, users with appropriate rights can add information, either by completing fields and tasks in the application interface or by linking documents of any sort to the record. Participants can only add information or upload documents to those areas for which they are authorised.

Technical information, the scope of work, designs, pricing information, material lists and everything related to a project is included in the system and linked by project number, replacing the silos of information and eliminating numerous phone calls. The pricing tab even includes the ability to enter the quantity and type of material and generate the actual quote from an Excel template that includes appropriate branding. A daily SAP transaction is run to generate some tables with information about product codes and materials. SISCOP reads those tables to complete the order form.

"At each phase, someone different has to provide information," Ms. Campos points out. Deployed via Citrix, the OnBase solution allows workers at various locations to efficiently complete the projects and provide a comprehensive proposal for the potential client.

SISCOP is the core system from which the Projects Department works to obtain information, analyse activity and complete tasks. The system can be queried to quickly locate a specific project based on a number of criteria. As a result, if a prospective customer calls to request information, the Projects Department can find it quickly, even if the project identification number is unknown. "The ability to open related documents is great," says Ms. Campos, referring to OnBase's cross-referencing capability, which allows users to move from one document to another with a mouse-click.

AVOIDING PRODUCTION DELAYS AND ERRORS

"When an opportunity becomes a sale, the project goes to the Production Department, which also uses OnBase," says Ms. Campos.

"There is so much reliable information in the system that they know exactly what to produce. Getting all of this information to Production may be one of the greatest benefits of OnBase because it saves lots of e-mails and phone calls we used to get because there was missing or unclear documentation."

Ms. Campos points out that Arcelor Mittal Brasil has a very extensive approval process that prevents errors from occurring because of missing information. Because of the size of these projects, a mistake could be extraordinarily expensive. However, not having the complete specifications could also result in delays that cost valuable production time and ultimately affect customer satisfaction.

ANALYSING SALES DATA TO IMPROVE PROCESSES, INCREASE REVENUE

"When the customer makes the decision whether or not to buy the proposed product, the decision is noted in OnBase," Ms. Campos reports. "If the salesperson doesn't get business, he has to fill out an electronic form and explain why. In the past, we couldn't easily determine what business was won. Now we can track opportunities in OnBase and

create reports. It's especially important to identify which ones we didn't win so that we can improve."

And Arcelor Mittal Brasil has improved. In the past, about 15% to 20% of these lucrative civil projects were won. Now the rate of success has doubled to 30% to 40%, and the overall number of projects has increased because it is so much easier to manage them. From within OnBase, business managers can dynamically analyse not only the reasons why deals were not won, but also sort them according to criteria such as salesperson or region. In the past, the Projects Department team had to collate information from the various spreadsheets and call salespeople to verify which specific deals had closed in order to create a report for management.

In recognition for their efforts, salespeople are given incentive awards based on criteria that are fair and proportionate. In the past, the Projects Department would have to go through the same painstaking report creation and apply the point system that assures everyone is fairly evaluated. Now OnBase attributes the appropriate points and criteria and identifies the salespeople who will be recognised.

Ms. Campos says SISCOP is a "spectacular advantage" because in addition to improving the access to and organisation of information, it provides insight into business processes and prevents costly errors or delays. Because the OnBase system maintains an audit trail of the entire process, customer inquiries can be answered right away and employees at various sites can find what they need without calling the Projects Department and waiting for an answer. Time spent searching through spreadsheets and file servers and calling around for information has been eliminated, and faster response times result in a higher level of customer confidence.

"This is the first phase for OnBase in project management," Ms. Campos notes. "Sales and production use an SAP solution as their enterprise system. The current OnBase system may be modified so information can be entered directly from OnBase without having to re-enter it. After having used it and experienced its value, we couldn't operate without OnBase."

OnBase
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