

SAP Customer Success Story

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Peter Dean, General Manager of Business Systems, Zinifex



AT A GLANCE

Company Name

Zinifex Limited
Australia
www.zinifex.com

Industry

Mining

Key Challenges

Integrate IT landscape and consolidate financial systems

Implementation Partner

In-house upgrade team

Solution and Services

- SAP® R/3® Enterprise (functionality now available with mySAP™ ERP)
- SAP Safeguarding for Upgrade
- SAP GoingLive™ Functional Upgrade Check

Existing Environment

SAP R/3

Implementation Highlights

- Fast and easy upgrade performed by in-house team
- Reduced upgrade risk by using services from SAP

Key Benefits

- Provided integration platform for deploying additional SAP solutions and components
- Reduced ongoing system maintenance costs
- Gained quick ROI from inexpensive upgrade
- Consolidated business processes across all sites using SAP software

Hardware

HP

Operating System

UNIX

ZINIFEX

COST-EFFECTIVE UPGRADE

Zinifex is an Australian company whose products literally come from “down under.” One of the world’s largest zinc and lead producers, Zinifex owns and operates two mines and smelters in Australia, one smelter in the Netherlands, and one in the United States; and delivers metals to 20 countries. With over 2,600 employees worldwide, the Melbourne-based company hauls in \$A1.6 billion in annual revenues.

THE RIGHT TIME IS NOW

Back in 1999, Zinifex (then called Pasmenco) had a cumbersome assortment of legacy systems that was impeding its business processes. It decided to implement the SAP® R/3® enterprise resource planning (ERP) solution from SAP in a single instance in two languages.

In 2003, Zinifex executives realized the need to upgrade the company’s SAP landscape to the SAP R/3 Enterprise software, available now in mySAP™ ERP. The upgrade continues the full support by SAP under the company’s maintenance agreement. Furthermore, by upgrading, the company could realize a long-term goal of consolidating its IT landscape.

“Our biggest reason for an upgrade was the fact that we run payroll systems around the world,” explains Peter Dean, general manager of business systems at Zinifex. “We chose SAP because it meets our requirements for our financial processes and gives us the benefits of integrating our IT systems.”



THE RIGHT CHOICE IS SAP

In June 2004, Zinifex completed the upgrade to SAP R/3 Enterprise. According to Dean, the technical upgrade gives Zinifex the capacity to add more SAP solutions for its 2,600 employees. "The biggest issue in terms of moving our IT strategy forward is to move away from our legacy applications and utilize additional SAP functionality. The increased integration will reduce costs and streamline our business processes."

QUICK, EASY UPGRADE AT ZINIFEX

Zinifex didn't need help from external consultants to perform the upgrade. Most upgrade tasks were performed in-house by the company's SAP support team. "The in-house team had no problems handling the upgrade because of their experience with a previous upgrade and their high level of expertise," adds Dean. "That saved us a lot of money because we didn't have to hire expensive outside consultants to perform the upgrade."

The upgrade was inexpensive, which brought Zinifex even more savings. "The upgrade cost us about \$A130,000, which isn't much compared to many other ERP upgrades available," says Dean. "Considering what we spent, it won't take long for the company to achieve a financial benefit from the upgrade."

By ordering hardware early, consolidating servers, and upgrading the hardware ahead of time, Zinifex was able to minimize the risk of upgrading its SAP technology. For example, consolidating servers has reduced costs for data center hosting, ongoing maintenance, and UNIX support. Zinifex also used the SAP GoingLive™ Functional Upgrade Check service to further reduce potential risks involved with upgrades. SAP GoingLive Functional Upgrade Check is offered under the SAP Safeguarding for Upgrade portfolio of services and is covered by the standard maintenance agreement. The upgrade check analyzes the upgrade situation during the project planning phase. The result is a service plan that recommends advanced services to master the key pain points and basic knowledge transfer on the latest SAP upgrade offerings.

PRESENT AND FUTURE BENEFITS

The upgrade allows Zinifex to install additional SAP solutions that raise the company's financial processes and document management to a higher level. A key component will be SAP Enterprise Portal (SAP EP), a component of the SAP NetWeaver™ platform. SAP EP provides a complete portal infrastructure that Zinifex employees will use initially to access engineering documents and reports and collaborate with colleagues.

Zinifex will also implement SAP Business Information Warehouse (SAP BW), which is part of SAP Business Intelligence (SAP BI), an SAP NetWeaver component. SAP BI will give the company a central, standardized source for presenting key performance

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indicators for its business units. "All of our mining and smelting sites produce monthly reporting on their key performance indicators," adds Dean. "SAP Business Intelligence will be used to generate those reports."

Dean reports that Zinifex has benefited from using SAP software in many ways. "SAP technology has brought us increased integration of our IT systems, which has given us one set of integrated business processes across all sites using SAP. This gives us up-to-date information that makes our employees more efficient. The upgrade was fast and we performed it in-house. The cost of our upgrade was very reasonable, and we've had other significant cost reductions because of the new technology."