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# SAP Best Practices for Mining

## Preconfigured Software to Give You First-Class Industry Expertise

SAP Best Practices for Mining give you access to the expertise of the entire mining industry, encapsulated in detailed documentation and reusable system settings. This solution is based on SAP's new software for the mining industry (IS-MINE).

SAP Best Practices for Mining turn your SAP software into a business system that has been tailored precisely to the mining industry and that will enable you to quickly and extensively cover your company's specific requirements.

### The Objective

Based on the IS-Mine solution, SAP has developed a set of Best Practices to guide the implementation of its software system in the mining industry. These Best Practices have been built in close co-operation with SAP's international partners and customers to ensure an up-to-date, world class solution. The bundled expertise is provided to mining customers, both as clear descriptions of business processes and as system settings which can be used immediately. SAP's goal is to reduce implementation work as far as possible with SAP Best Practices for Mining, and to have the software geared to your company's specific requirements as far as possible.

SAP Best Practices for Mining will help you to realize the benefits that are built into SAP software faster, with less effort and on a lower budget than ever before. SAP Best Practices for Mining can be used by corporate groups in the mining industry and covers the entire logistics chain from the mining of ore through to mineral processing, primary metal production and up to sales and distribution. It can however also be used by smaller companies which have specialized in a particular part of this mining logistics chain.

*SAP Best Practices*


## The Product

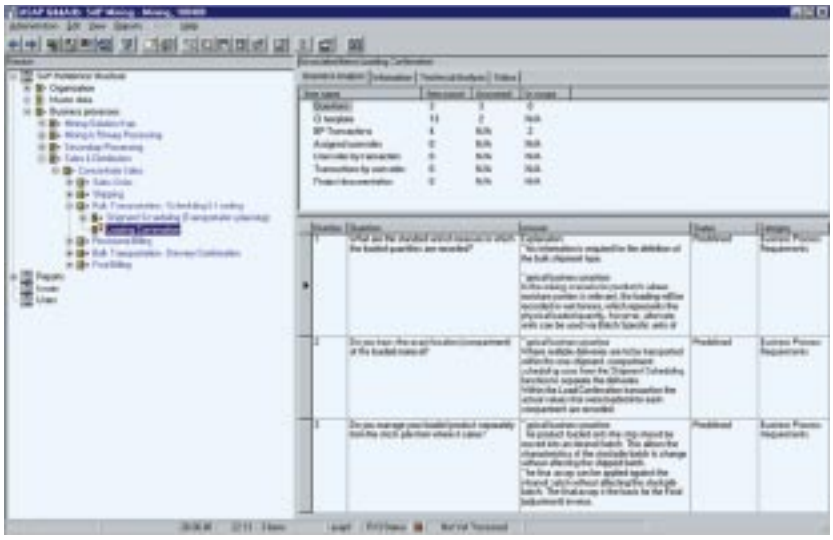
### AcceleratedSAP

SAP Best Practices use SAP's standard AcceleratedSAP implementation method to structure the entire industry expertise in a way that suits you.

SAP Best Practices provide you with industry expertise in the following forms:

- Documented, industry-specific end-to-end processes based on best industry practices
- Detailed questionnaires and checklists, partially pre-answered for the mining industry
- Sample Business Blueprint with industry-specific contents
- Industry-specific overview presentations which you can use in workshops, for example, to visualize processes

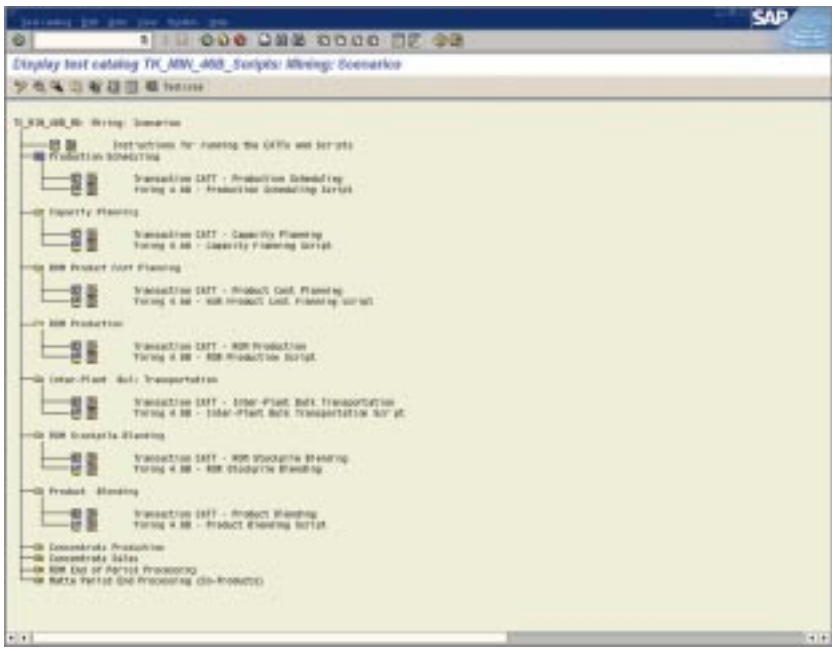
Together with other ASAP elements, such as the Roadmap for Project Management and the Question and Answer database (QAdb) for putting together your business blueprint, you get a powerful tool which will be a great help in precisely defining and formulating your system requirements.



### SAP Preconfigured System for the Mining Industry

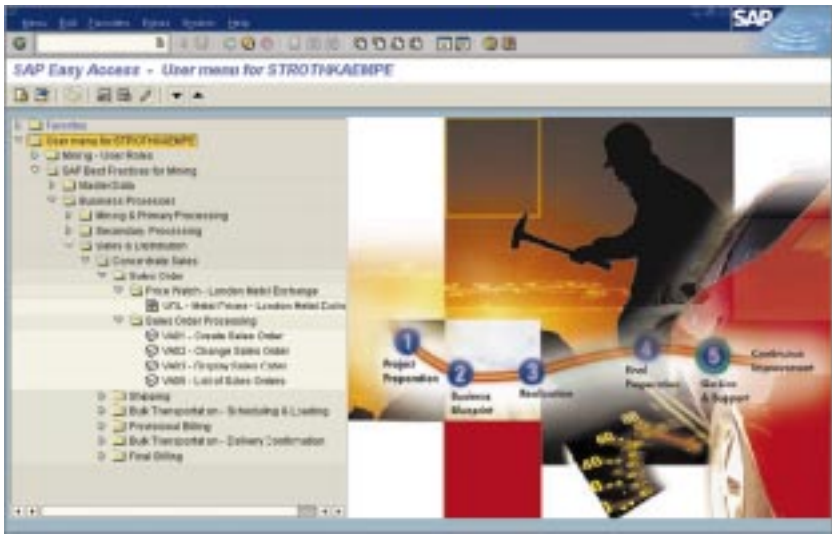
The second vital element in SAP Best Practices for Mining is a preconfigured IS-MINE System, incorporating all the system data and information you need for the documented core processes. This enables you to easily test and demonstrate these core processes.

One of the greatest advantages is that you can reuse the underlying configuration and its documentation, for example, for training or actual implementation.



The components of the SAP preconfigured system are as follows:

- *Master data* from the areas of Planning, Production, Controlling, Bulk Transportation, Sales and Distribution, Purchasing.
  This can be loaded into the preconfigured IS-MINE System using the test catalogs that are part of the Computer Aided Test Tool (CATT). This data encompasses, for example, planning hierarchy, resources, recipes, vehicles, products, customers, pricing formula, vendors, etc.
  In the preconfigured system you will find examples of typical products from the mining industry, such as ore blocks (with different characteristics), Run of Mine, Nickel Concentrate, Matte (each containing different percentages of certain metals and each being valuated by their metal content).
- *End user procedures* (Business Scripts) which can also be used for training purposes.
- *User menu* – oriented to user roles and processes so that you can identify the available functionality quickly and without effort. Instead of the user menu, you can use information on user roles and processes to set up a mySAP.com workplace for your users.
- *Test catalogs* for running through preconfigured processes, verifying the consistency of transported data.




## Business Scenarios along the Mining Value Chain

A range of preconfigured business processes or scenarios along the mining value chain have been provided with different customer-specific parameters. These scenarios are tightly linked to the different areas of the Mining Solution Map.

### Business Scenarios in Mining and Primary Processing

In the area of Mining and Primary Processing, some of the key business scenarios are:

- *Production Scheduling*
  This scenario shows how planners can plan the mining process by entering the throughputs and capacity of the mining process. This calculates the Run of Mine (ROM) production per month and is done for each of the downstream processes
- *Product Costing*
  This scenario demonstrates how the standard costs are determined for both the gross product (wet tons) and the metal content (for example $/ton of nickel).
- *ROM (Run of Mine) Production*
  This scenario demonstrates how the material quantity calculation can be used to simulate the total production output and costs based on the input materials used. Additionally, it demonstrates the use of the PI Sheet as a user friendly interface for goods receipt posting from production, as well as the ability to view and valuate inventory based on gross quantity and contained metal.
- *Interplant Bulk Transportation*
  This scenario demonstrates the ability to plan and monitor the transportation of mined or processed material. It includes the planning of production to be shipped, the scheduling of transportation (e.g. trains, trucks), product loading (actuals), product unloading (actuals and losses) associated freight costs and freight operator payments.
- *Stockpile Blending*
  This scenario descibes the receipt of product (with known assay) onto a stockpile (with known assay) and is intended to show how SAP handles the updating of the stockpile assay and its monetary value.

### Business Scenario in Secondary Processing

In the area of Secondary Processing, the key business scenario is:

- *Matte Period-End Processing (Co-Product Costing)*
  The purpose of this scenario is to demonstrate how costs are distributed to co-products (order line items) in a process order and how to calculate and analyze variances for each co-product.

### Business Scenario in Sales and Distribution

In the area of Sales and Distribution, the key business scenario is:

- *Concentrate Sales*
  This scenario demonstrates the use of Contract Based Pricing (CBP) and Bulk Transportation in the sale of concentrate. Key features of this scenario are:
  - Display of formula-based conditions
  - Creation of a sales order using the CBP prices
  - Scheduling of the transport (i.e. ship, train, or truck) to transport the concentrate
  - Loading the transport with actual quantities that may differ from the initial schedule
  - Unloading of the transport and the handling of transit losses
  - Recording of the loading assay and the final assay
  - Generation of proforma, provisional and final sales invoices

## Fields of Application

You can profit from SAP Best Practices for Mining in a wide variety of situations:

- To evaluate SAP software
- To train your project team
- To accelerate implementation

## mySAP.com – Turning Internet Promises into Profits

After the phase of integration *within* the company, inter-company integration has now become a decisive competitive factor in the age of the Internet.

This holds true for the mining industry too.

The solution: mySAP.com.
Total Web-enabled technology, covering all products and services from SAP. The openness of mySAP.com supports seamless connections between SAP and non-SAP applications via the Internet and ideally supports the collaboration of all participants in each phase of a business process.

## SAP Best Practices and mySAP.com

SAP Best Practices play a key role within mySAP.com because all core elements of mySAP.com are connected with SAP Best Practices via preconfiguration:

- Preconfigured business processes which cross components and even company boundaries
- Preconfigured mySAP.com workplaces – role-oriented, Web-based working environments with access to all necessary information and services
- Preconfigured access to marketplaces – the open, integrated online forum which fosters the interchange of information, provides specific content to interested parties, and also simplifies cooperation and electronic commerce.
- Preconfigured self-services
  All these examples are part of SAP Best Practices and enable you to benefit from all new SAP developments.

## Benefits at a Glance

- Faster identification with best business practices
- Aid to faster, cheaper implementation
- Possible starting point for business process reengineering on the basis of best practices
- Inexpensive training environment
- Considerable reduction in learning effort
- Powerfull evaluation, demonstration and implementation system
- Consistent, integrated and overall picture extending beyond evaluation and implementation
- Collaboration with experienced partners
- Strongly geared to your industry-specifc company requirements while exploiting all benefits of an integrated standard system
- Support for SAP e-business scenarios
- Starting point for solution providers within the framework of the Accelerated Solutions and SAP.readytowork programs
- Key component of mySAP.com and Application Hosting
- Basis for configure-to-order

## How You Can Order

You can order the complete SAP Best Practices package for the mining industry from your local sales representative or a local consulting organization.
You can order ASAP for Mining at the SAP Store on
http://shop.sap.com

## Contact Us

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## More Information

http://service.sap.com/asap-min (customers and partners) or
http://www.sap.com/bestpractices

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