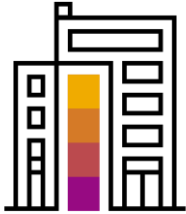




SAP® Innovation Awards 2020 Entry Pitch Deck

Using SAP Analytics Cloud to Improve Brazilian Steel Business

Grupo Aço Cearense [GAC]



Company Information



GRUPO AÇO CEARENSE

Headquarters	Fortaleza, Ceara, Brazil
Industry	Steel Industry
Web site	Grupo Aço Cearense [GAC]

Grupo Aço Cearense [GAC] aims to be recognized as the best company for production, commercialization, and distribution of steel in Brazil. We utilize sustainable practices within our steel production that have resulted in high process performance and differentiated services. Our unique approach has increased value for shareholders, employees, customers, suppliers, and society.

Grupo Aço Cearense has been in the Brazilian steel market for 40 years. With a portfolio of 16,000 active customers throughout the country, we stand out for our growth and representativeness achieved in the steel market. We are the regional leader in the sector, with a production capacity of 1,000,000 tons/year of steel and a turnover of more than R\$2.7billion in 2018.

Throughout our history, we have expanded and diversified our operations in Brazil. We now have four companies and one institute operating in Ceará, Pará, and Tocantins states:

1. Aço Cearense Industrial: metallurgy operating in Ceará state.
2. Aço Cearense Comercial: comercial company operating in Ceará.
3. Siderurgica Norte Brasil S.A. – SINOBRAS: produces long steel and has an installed capacity of 380 thousand tons per year. Located in the Northern Brazilian region of Marabá.
4. SINOBRAS Florestal : 15 eucalyptus plantations producing a bioenergetic reducer for internal use. Located in Tocantins.
5. Instituto Aço Cearense: a company collaborating directly with the development of society in the economic, social, and environmental spheres. Headquartered in Ceará.

Using SAC to Improve Brazilian Steel Business

Grupo Aço Cearense [GAC]



“Grupo Aço Cearense uses SAP Analytics Cloud to manage and streamline the company’s budget processes and operations.

Thanks to this unique platform, we’re able to spend less time on budget processes and more time on scenario analysis, so we can improve future sales and margin results.”

Mr. Manuel Robalinho
SAC Consultant of GAC

Challenge

Encompass all administrative, commercial, and industrial areas of business, so that budgeting is fast, accurate, and promotes budget versions that deliver planned income statements and cash flow reports.

Solution

GAC uses SAP Analytics Cloud (SAC) with specific models for OPEX, CAPEX, payroll, supplies, inventory, production and reporting. Each model interprets its calculation algorithms through scripts sharing information with subsequent models in terms of budget flow.

Outcome

GAC budget is distributed among various companies and operating areas, with a total of 130 users who enter the information on the SAC platform. With the new SAC system, scenario presentation is fast and assertive so that we can make multiple game-plan versions, which allows us to adapt to steel production and trade scenarios within the global market. GAC has moved from a mid-year review budget to quarterly forecasts.



70% Increased productivity during planning.

40% Increased budget reliability.

60% Increased flexibility to evaluate new scenarios.



Participating Partner Information

SOLVEPLAN

Consulting company for model creation and SAC development.

Solveplan operates in the implementation of SAP Business Intelligence, BusinessObjects Cloud Analytics, SAP Business Planning and Consolidation, Financial Planning, Analytics and Dashboards solutions.



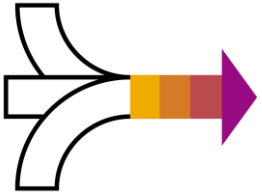
“SAP Analytics Cloud (SAC) was implemented to meet the entire budget planning process, which covered production cost planning, revenue, administrative expenses, personnel expenses, and financial statements.

Solveplan is a SAP partner expert in financial planning and analytics who was responsible for project implementation. Our headquarters are in São Paulo – Brazil.”

Mr. Alexandre Kuntgen

CEO, Solveplan





Business Challenges and Objectives

Challenges:

- Bring together Solveplan and key-user specialists from each area of Grupo Aço Cearense in order to pass their knowledge to the implementation company.
- Develop a robust and flexible platform, with access to SAP ECC information, to leverage our system's historical data for the desired insights associated with a budgeting tool.
- Use information from external (non-SAP) systems to enrich budget information.

Objectives:

- Develop a decentralized corporate tool to collect information for GAC's budget on a monthly basis.
- Allow monthly, quarterly, or semi-annual reviews.
- Allow multiple versions of the same budget.
- Access external payroll and vacation registration systems for easy access to planning information.
- Use the capacity of production centers as a budget constraint.



Project or Use Case Details



- The project was implemented in SAP Analytics Cloud (SAC) planning tool, for the following areas:
 - ✓ Commercial
 - ✓ Supplies
 - ✓ Inventory
 - ✓ Capital Expenditures (CAPEX)
 - ✓ Operating Expenses (OPEX)
 - ✓ Financial
 - ✓ Steel Production
 - ✓ Forest Production
- The GAC budget is multi-company, multi-currency, and multi-version.
- The SAC implementation aims to present the balance sheet and P&L quickly and consistently for GAC.
- The SAC implementation required 5 months and 19 team members (9 key-users, 4 SAC Consultants, and 3 GAC Consultants).



Benefits and Outcomes

Business or Social

- -66.66% time required to draft a budget.
- GAC now has all auditable values and in one system.
- Set clear and aggressive goals for smarter resource utilization and maximizing earning opportunities.
- The creation of a historical information base is one of the biggest benefits generated in the medium and long term. This tool allows the creation of a database that ordinarily incrementally formed over months and years.

IT

- SAP Analytics Cloud (SAC) has made GAC technologies easier to use, because it has integrated 100% into our IT processes.
- SAP Analytics Cloud broke an internal paradigm of working business processes in the cloud.
- The partnership between key-users and Solveplan allowed Grupo Aço Cearense to incorporate the best technology practices brought by Solveplan and the best business practices provided by key-users into SAC.

Human Empowerment

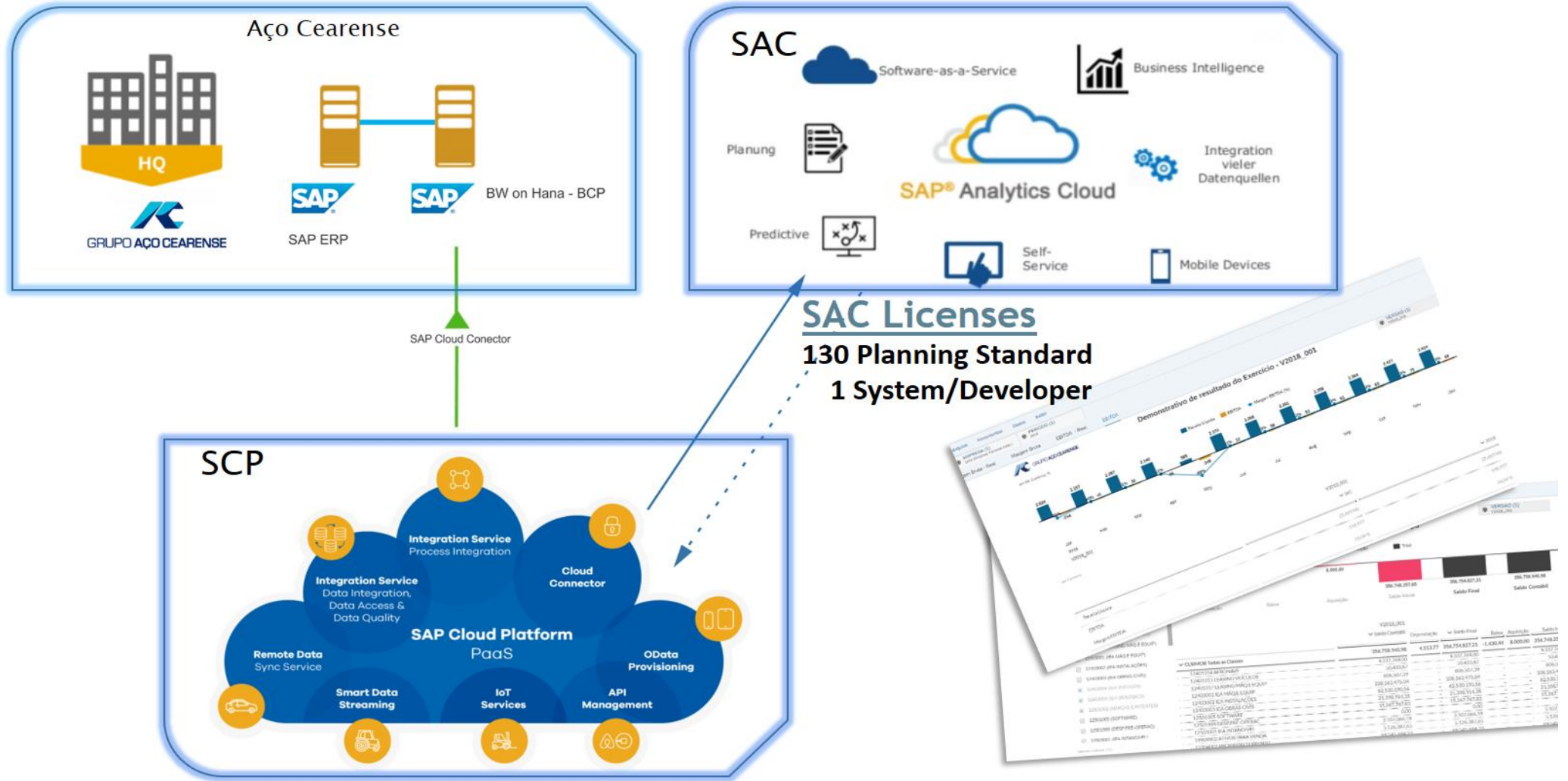
- As budgeting has become participatory (130 users participate in keying values), credibility, accountability, and auditing have created more confidence in budgets. This, in turn, has made people who develop the budget more accountable.
- Responsibility Sharing: the decentralized budget methodology naturally generates greater integration of managers with a clear definition of roles and responsibilities.
- Simple and affordable Performance Indicators for top management.



Architecture



GRUPO AÇO CEARENSE





Deployment

Deployment status LIVE

Date OCTOBER 2018

Number of users 130

SAP technologies used:

	SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1	SAP Analytics Cloud	Live	Modeling, Users and Security, Planning and Reporting Stories.
2	SAP BW/4HANA	Live	We gain BW system speed by migrating BW into HANA and use the standard SAP BW/4HANA data sources to increase project efficiency.
3	SAP Easy Cost Planning (ECP)	Live	Provided depreciation projection and SAP CO apportionment schemes.
4	FPW (Payroll System)	Live	We created a payroll information cube, which is passed to BW and accessed at the SAP Analytics Cloud (SAC) for budget.

If you have used one of the services or support offerings from SAP Digital Business Services during the implementation or deployment phase, please select with one or more of the following offerings:

- | | | |
|--|--|--|
| <input type="checkbox"/> SAP MaxAttention™ | <input type="checkbox"/> SAP ActiveAttention™ | <input type="checkbox"/> SAP Advanced Deployment |
| <input type="checkbox"/> SAP Value Assurance | <input type="checkbox"/> SAP Model Company | <input type="checkbox"/> Others: |
| <input type="checkbox"/> SAP Innovation Services | <input type="checkbox"/> SAP Innovative Business Solutions | |

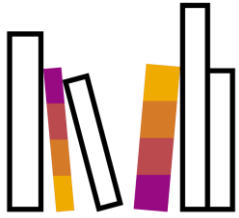


Advanced Technologies



The following **advanced technologies** were part of the project.

	Technology or use case	Yes or No	Contribution to project
1	3D printing	No	
2	Blockchain	No	
3	Internet of Things (IoT)	No	
4	Machine learning or AI	No	
5	Conversational AI	No	
6	Robotic process automation	No	
7	Data anonymization	No	
8	Augmented analytics	No	



Additional Information



GRUPO AÇO CEARENSE

What's next for GAC:

1. Utilizing AI and Machine Learning in Customer Credit Control.
2. SAP and Deep Learning technologies for automated metal scrap classification.

Supporting Links:

- [Interview with Key-Users](#)
- [SAC Screen Grabs](#)