

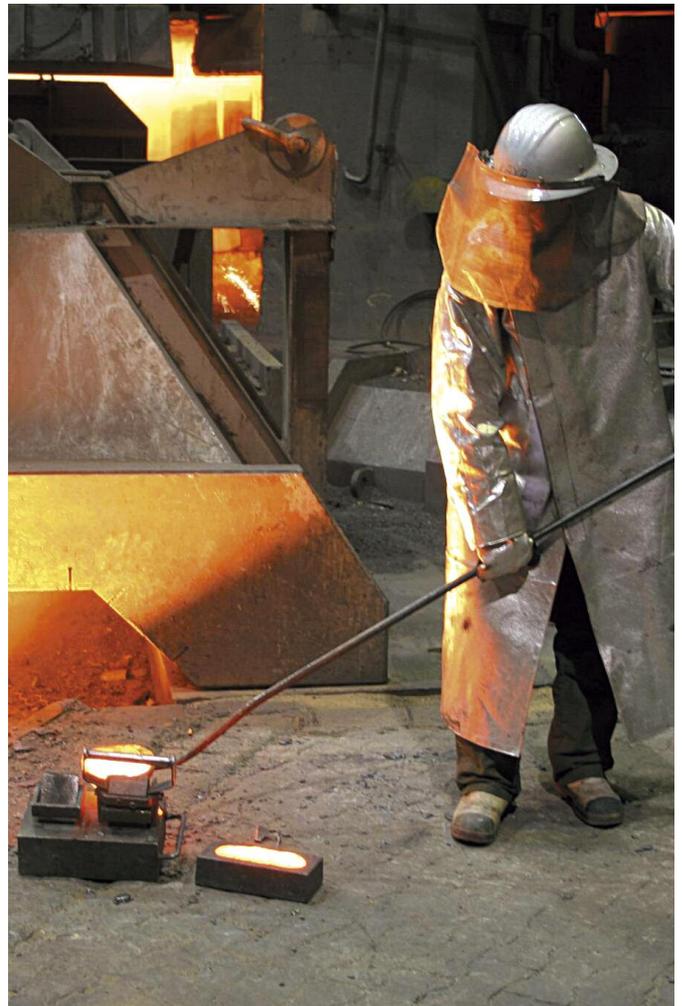
Goodbye to paper and faxes in the tendering process

The purchases of Salzgitter Flachstahl GmbH range from coffee cups to spare parts and from services to blast furnaces. The volume sums up to approximately 185,000 items with a value of about EUR 1.8 billion a year. The steel producer has chosen the eSourcing platform myFutura by Futura Solutions to assist its employees and to optimise the extensive bidding process electronically.

"Bearing in mind a certain process pressure, we took our decision in favour of the eSourcing platform myFutura as a tendering system - to cope with the growing demands on purchasing and the challenges that result from it", says Axel Kresse, project manager for the implementation of myFutura at Salzgitter Flachstahl, about the beginnings. The procurement processes became more complex and the market requirements on purchasing more demanding. Kresse: "We had to find an instrument to facilitate the sourcing process." The requirement was to implement an IT solution capable of being integrated into existing processes and their mapping in the SAP environment.

Spare parts according to drawings

At Salzgitter, steel is produced in five shifts all around the clock, including Christmas and New Year's Eve. A potential disturbance would cost the company a lot of money. "To minimise possible downtime, the crucial system components are on stock as spare parts", says Kresse. Therefore, requirements on procurement at the sixth largest European steel producer are high; it is always important to obtain many different spare parts for the machinery. The most expensive option is to buy it without competition from the manufacturer of the equipment. But whoever has the rights to



the drawings, which Salzgitter usually has itself, can produce the necessary spare parts individually. These parts are tendered on myFutura. Kresse: "It's a very complex process because you have to enclose the drawings." So far, it is partially completed electronically. Kresse: "In the final stage of the roll-out of myFutura we are planning to combine the drawing archive with the R/3 System and myFutura and to transfer it automatically to the internet platform."

Material and Services

The eSourcing platform myFutura does not only handle the procurement of materials and spare parts: "We started off with materials from the system and created an interface between R/3 and myFutura", says the project manager. The interface works also in the opposite direction. Since myFutura serves to tender complex services at Salzgitter Flachstahl, the project manager illustrates another 'highlight'. Kresse: "We currently tender the third major service or rather construction work tender with myFutura, a feature that not every system can handle with ease."

"These days it's all about improving the tendering process, the so-called sourcing process, and continuing to optimise it."

Axel Kresse, Project Manager for the implementation of the eSourcing platform myFutura at Salzgitter Flachstahl GmbH

Complete SAP process integration

At Salzgitter Flachstahl the ERP system SAP R/3 and the eSourcing platform myFutura work hand in hand by the way of an integrated interface. Kresse states that "SAP alone does not offer us the functionalities that we have gained from using the eSourcing platform myFutura" whilst thinking of the not too distant times of fax and mail. For the steel producer, it is crucial that all data input from the eSourcing platform can be transferred without problems into the business processes of SAP R/3. Salzgitter will go on to tender primarily by the way of the R/3 system, but now completed by the eSourcing platform myFutura. Kresse: "All companies that we invite to tender can make their entries there and submit their offer."

On the right track

After six months in operation, project manager Axel Kresse considers Salzgitter Flachstahl on the right track with an established combination of the eSourcing platform myFutura as tendering system and SAP R/3 as ERP system. Some suppliers still need to be convinced, though, to participate in technical progress and

to dispense with the usual letter or fax. Futura Solutions specialises in powerful, integrated solutions in the fields of procurement, planning and maintenance. The Wiesbaden-based company was founded in 1997 and has many years of experience in the SAP environment. The eSourcing platform myFutura was launched in 2000 and is used by major companies such as BASF, Bayer, Henkel and Merck.

The facts

The company

Salzgitter Flachstahl GmbH is a 100 percent subsidiary of the steel division of Salzgitter AG and employs about 4,500 people. The integrated steel mill with three modern blast furnaces has full vertical integration, from the production of pig iron to the rolled products. Salzgitter Flachstahl GmbH is a premium supplier of several major car manufacturers and cost leader for iron and steel in Europe.

The task

The SAP R/3 system alone classically generates a piece of paper for the tendering process. This is sent or faxed and you would receive a letter back. This data must be entered again in the classic system. This old process was reorganised completely at Salzgitter Flachstahl using the eSourcing platform myFutura.

The solution

In 2005, Salzgitter Flachstahl GmbH decided to use the eSourcing platform myFutura as a tendering system. The system supports the steel company in all stages of efficient handling of the sourcing process. The procurement of services is carried out by the system - without any boundaries. At Salzgitter Flachstahl, the eSourcing platform myFutura is closely integrated into the processes of the SAP environment, but can also be used stand-alone.

The benefit

At Salzgitter Flachstahl, tenders are distributed for suppliers on the internet using the eSourcing platform myFutura. Companies receive an invitation by e-mail to participate in a tender. The credentials can be accessed via a link. That way, suppliers log on directly to a current bid to enter their data and prices.



Salzgitter Flachstahl GmbH | Eisenhüttenstraße 99 | 38239 Salzgitter
T +49 5341 21 01 | F +49 5341 21 27 27
flachstahl@salzgitter-ag.de | www.salzgitter-flachstahl.de



Futura Solutions GmbH | Kreuzberger Ring 68 | 65205 Wiesbaden
T +49 611 33460 300 | F +49 611 33460 599
info@futura-solutions.de | www.futura-solutions.de