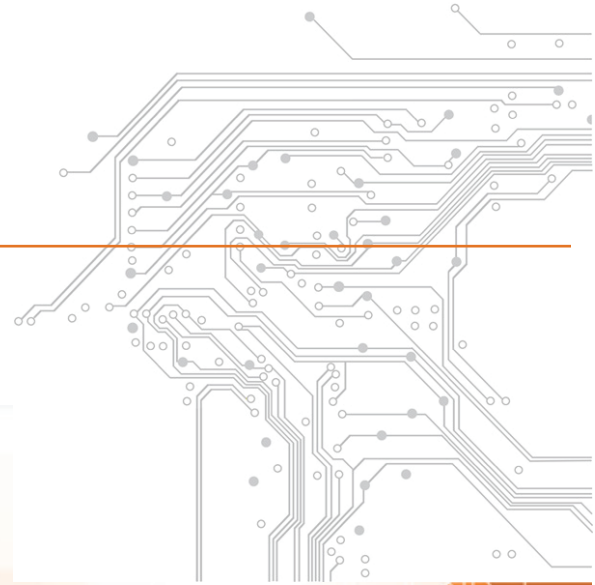




## **CASE STUDY**

---

### Severstal North America



# CASE STUDY Severstal North America

## CUSTOMER

Severstal North America

## INDUSTRY

Steel Mining and Producing

## SOLUTIONS

Oracle EBS

Implementation and

R12 Upgrade

## PROJECT BACKGROUND

Severstal North America (SeverstalNA) was founded in 2004 and is a wholly owned subsidiary of one of the world's leading steel producers by volume, OAO Severstal. In an effort to globally consolidate the steel making industry, OAO Severstal spent 5 years investing in opportunities that would consolidate the best qualities of prospective companies in order to strengthen their current market position.

During that time, SeverstalNA acquired a multitude of U.S. based steel mills. Early on, SeverstalNA understood the importance of aligning their IT infrastructure across multiple environments. Due to their current and future growth patterns, SeverstalNA was a prime candidate for an agile ERP footprint. With Oracle as their preferred solution, this would require a multi-year plan to implement the platform across legacy systems and a re-implementation of existing Oracle platforms to Release 12 in order to better position the company for continued growth and flexibility.

### Implementing an Integrated Business System and Several R12 Upgrades:

- At the start, Severstal understood the importance of establishing direct links between their business operations which would allow each function to efficiently communicate and share information. This leveraged Oracle solution was developed to help all newly acquired organizations streamline and simplify in order to reach this integrated vision.
- Release 12 of the Oracle E-Business Suite would provide the needed collaboration between buyers, suppliers and requesters in order to facilitate strong communications. Overall, all functional areas would gain the benefits of integrated processes bound to the latest and greatest technological solutions Oracle had to offer.
- The re-implementation of their existing Oracle environments also offered the organization improved reporting and analysis. One of SeverstalNA's key goals was the centralized data collection system that provided efficiency, accuracy and consistent reporting capabilities. They were also setting themselves up for ease of access, availability and accuracy of information.

# CASE STUDY Severstal North America

- With an aggressive approach, all business units were scheduled for significant benefits. Engineering was focused on gaining value in the standardization of their quoting process, increased visibility to actual costs and commitments, and a single-source project financial reviewing capability. Purchasing concentrated on enhanced supplier collaboration, one system to view accurate and advanced reporting functions and an automated PO process. Finance was looking to gain value-added reporting and analysis, improved closing period processes and a simplified chart of accounts. Maintenance dedicated their efforts to an improved workflow to process work orders, approvals and accounting processes.

## PROJECT SCOPE

- Oracle EBS Modules: GL, AP, AR, FA, Cash Management, Inter-Company Accounting, Global Accounting Engine, OM, PO, INV, Adv. Pricing, Shipping, iSupplier, Project Accounting, eAM
- Third-Party System Integration: 25 + Enterprise Application Integrations
- Implementation of an Oracle ERP system to replace legacy systems within newly acquired steel manufacturing environments.
- Re-implement Oracle to R12 for existing organizations currently running older Oracle ERP versions. This was an opportunity to properly integrate all business units and also to lock in their existing premier support model.
- Reduce the need for custom applications, improve integration, align disparate systems and enhance their reporting platform across all business units and organizations.

Initially, the project was sourced to a large systems integrator. After numerous delays and missed expectations, Centroid was asked to work alongside the SI to provide expertise to their team. Centroid was able to deliver significant additional value to the team and to SeverstalNA. Over time, Centroid's role expanded into development and infrastructure based on the significant value delivered.

# CASE STUDY Severstal North America

## RESULTS ACHIEVED

Centroid and SeverstalNA successfully completed the following project objectives:

- **A Truly Global Enterprise System** – The new features within Release 12 allowed the Severstal organization to realize the value of improved reporting capabilities, better-quality planning, forecasting and a reduction in the need for customizations across all organizations.
- **Resolving Long-Standing Issues Due to Non-Integrated Systems** – The Oracle R12 suite eliminated the need for supporting currently existing costly customizations and extensions for a more flexible and sustainable environment. It also offered significantly expanded functionality, an improved user experience and reduced cost of ownership.
- **Strong Manufacturing Model** – Severstal understood the critical importance of a strong manufacturing ERP system within the long-standing steel making industry. Their need for a robust manufacturing environment was the overall change necessary for their future investments in their modernized steel making commitments.

After the completion of their Oracle EBS implementation and R12 Upgrades in their North American operations, there was an immediate value experienced in process efficiencies, reporting and performance. The streamlining of financial functions has enabled SeverstalNA the ability to provide more timely information to their executive teams, stakeholders and parent company. SeverstalNA continues to go through growth changes, but their commitment to steel innovation and performance improvement remains steadfast.