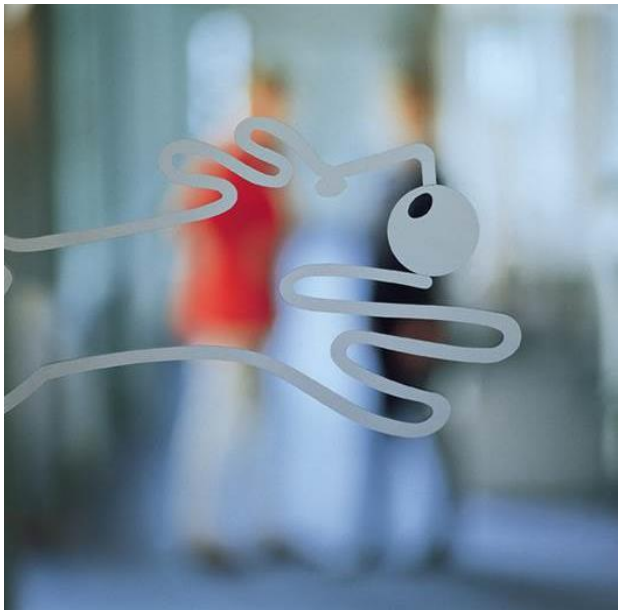


Klöckner & Co SE

A Leading Multi Metal Distributor

Michael Hilzinger

Group CIO

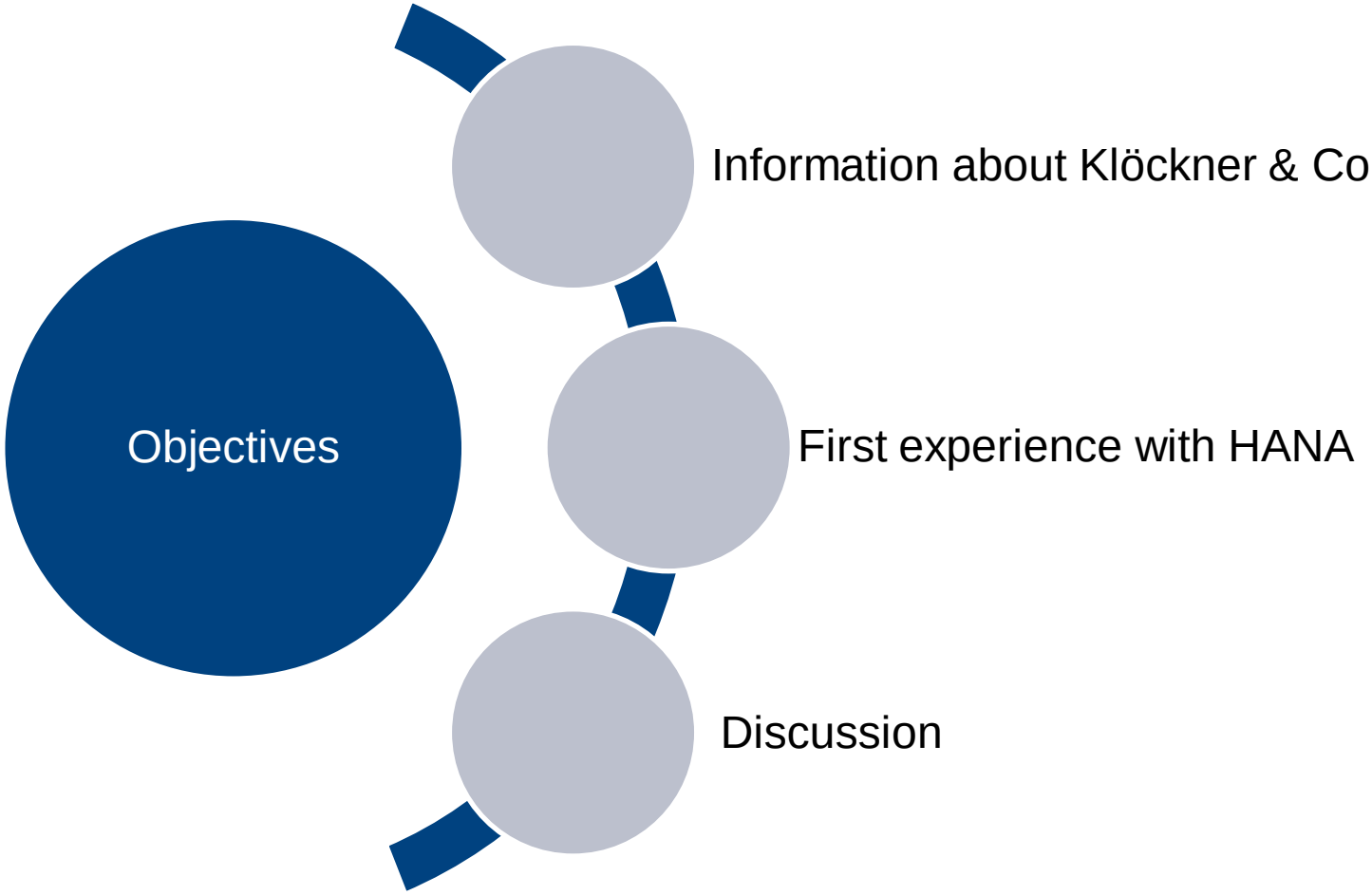
SAP Mining and Metals Forum

SAP HANA Initial Implementation Experience

Darmstadt, October 9th 2014

klöckner & co

Objectives of this presentation



Agenda

01	Klöckner & Co SE – Overview
02	SAP HANA Business Case and Starting Point
03	Initial Implementation Experience
04	Q & A

01 Klöckner & Co SE at a glance

Producers



Distributor / Service Center

klöckner & co

multi metal distribution

- Largest producer-independent steel and metal distributor and one of the leading steel service center companies in the European and American markets combined
- Distribution and service platform with around 220 locations worldwide
- Key figures for 2013

Turnover:	6.4 million tons
Sales:	€6.4 billion
EBITDA	€150 million (before restructuring)

Products:





Services:





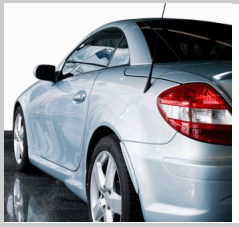
Customers



- Commercial/ residential construction
- Infrastructure



- Machinery and mechanical engineering



- Automotive



- Yellow Goods
- White Goods
- Miscellaneous

01 Holistic solution from covering procurement, logistics and processing

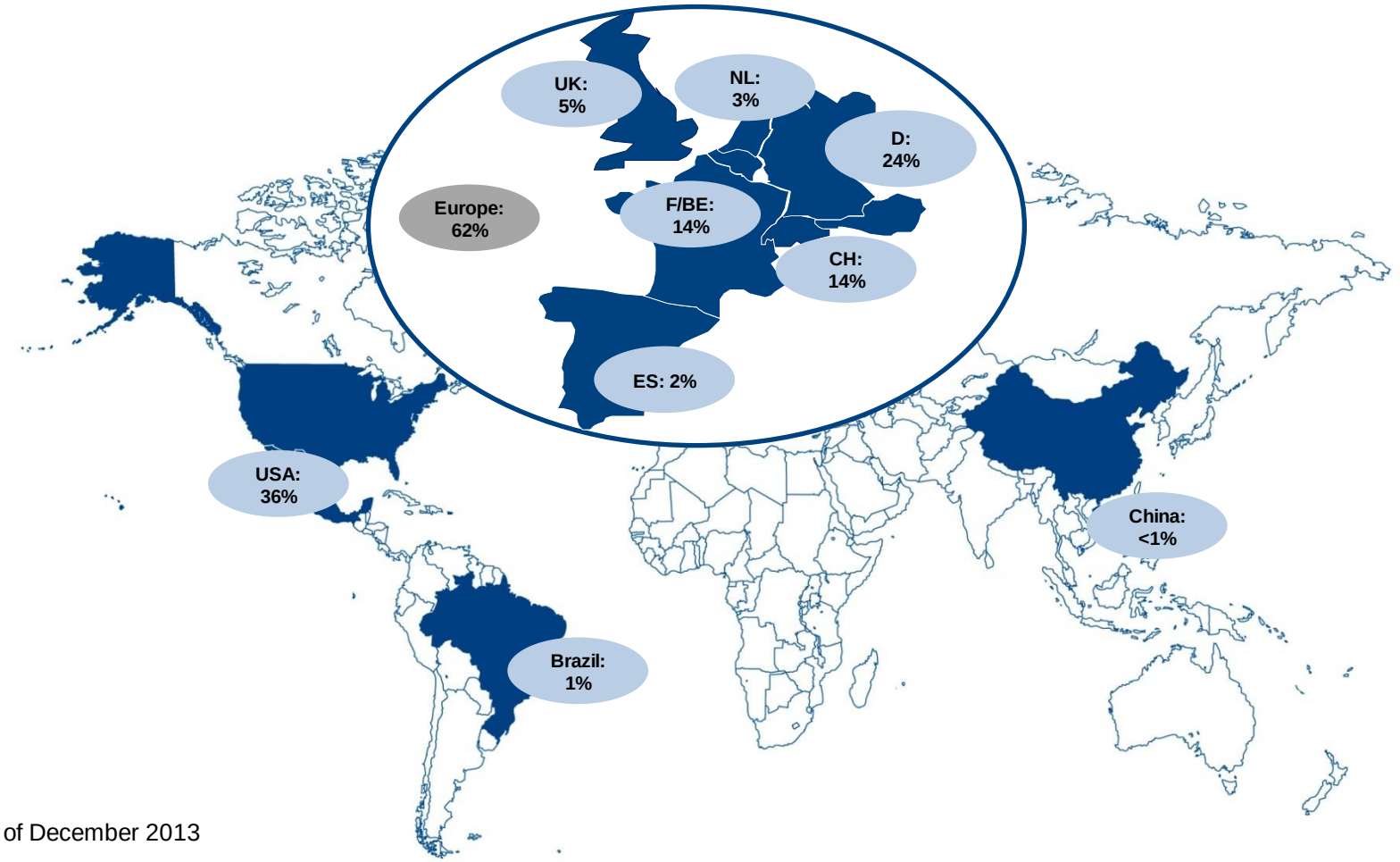


Suppliers	Sourcing	Products and services	Logistics / distribution	Customers
• As a producer-independent distributor, our customers benefit from our diverse national and international procurement options	• Procurement of large quantities • Strategic partnerships	• Extensive product range • Excellent product and processing quality • Wide-ranging service provision	• Local presence • Individual delivery, including 24-hour-service	• More than 146,000 customers • Average normal order size approx. €2,000

Klöckner & Co value chain

01 Global reach – local presence

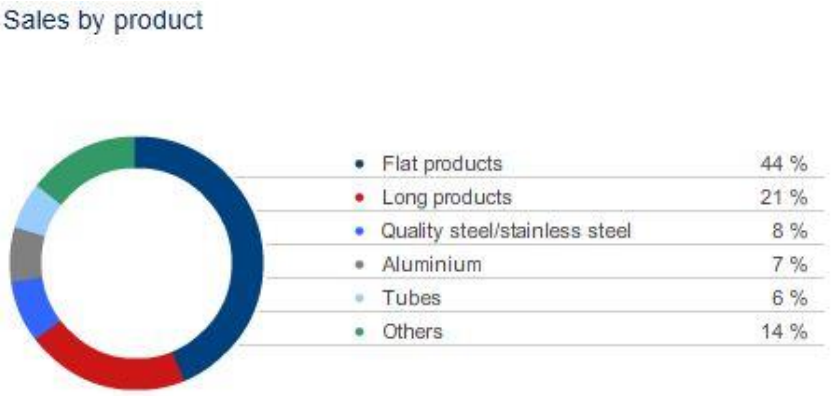
- With around 220 locations in 15 countries we assure local availability for our customers



- Austria
- Belgium
- Brazil
- China
- England
- France
- Germany
- Ireland
- Mexico
- Netherlands
- Puerto Rico
- Scotland
- Spain
- Switzerland
- USA

As of December 2013

01 We provide a broad range of products



- Special profiles, thin sheets and heavy plates, precision steel and seamless heavy wall tubes, bar steel, high-alloy round steel bars, sectional steel, plastics, ironware, accessories as well as special products for building services, plumbing, roof and wall construction and water supply etc.



Flat products

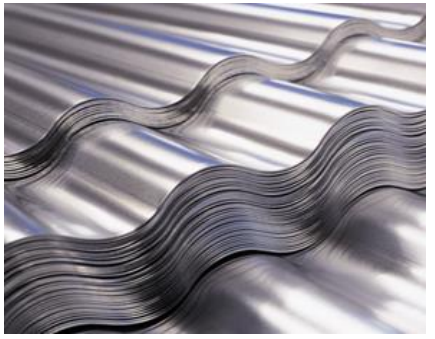
As of December 2013



Hollow Sections / Tubes



Long Products / Structural Steel



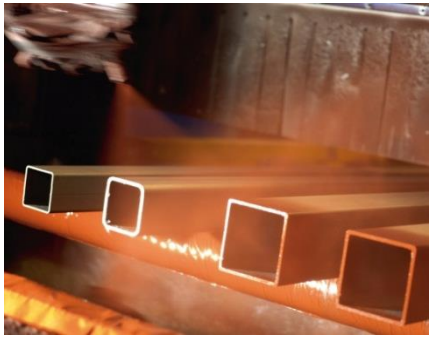
Stainless / Aluminium

01 We offer extensive services

- Flame/gas/oxygen cutting, autogenous and plasma on CNC and optically controlled machines, burning programs via CAD systems, conservation, cutting and slitting, cutting and bending (routing on demand), cutting to length and sawing (miter cuts), other mechanical processing methods, like drilling, punching, shearing, press breaking, flat rolling, etc.
- Furthermore we provide our customers with technical advice, storage facilities and just-in-time delivery



Cutting to Length / Miter Cutting / Bending



Surface treatment



Decoiling / Cutting / Slitting



Laser cutting / Flame cutting

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Objectives

- Migration to future SAP supported DB technology
- Reduction of TCO
- Performance increase
- New business functionality

1 TCO Perspective

- SAP HANA license, SW maintenance and migration project only slightly more expensive than traditional relational DB
- Consolidation of all DBs on SAP systems reduces complexity
- Reduced cost for operations
- Performance boost as additional benefit

2 Enhanced Business Functionality

- SAP HANA Business Value Scenarios
- Marketing vs. enterprise reality
  - Interesting, but mature…?
  - Implementation, change mgmt. efforts
- Mobile scenarios, new UIs

Greenfield SAP ERP implementation in Switzerland

- Project start in 2012, implementation on traditional DB, ECC 6.0, EhP 6, NW 7.31
- Decision for migration to SAP HANA end of 2013
- Migration project started mid of February 2014, completed end of May 2014
- Go Live 6th of October 2014

Productive SAP ERP and BW implementation for European Business

- Decision for SAP HANA in June 2014
- Project start in July 2014, 2 major phases
  - Upgrade to EhP 7
  - Migration to HANA
- Planned completion end of February 2015



02 SAP system landscape

Training

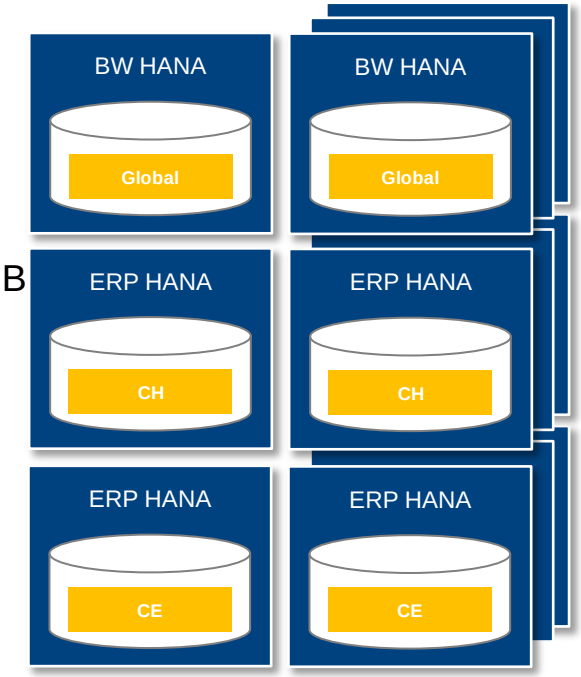
IDES

NW PO

Duisburg Düsseldorf

BO-FC

- Prod. 2 TB



- Prod. 2 TB
- 650 Users
- Dev + Q/A virt. 2 TB

- Prod. 512 GB

- Prod. 512 GB
- 1.200 Users
- Dev + Q/A virt. 1 TB

ADS

- Prod. 2 TB

- Prod. 2 TB
- 3.500 Users
- Dev + Q/A virt. 2 TB

SolMan CE

SolMan CH

HCM

GTS

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General Experience

- HANA Enterprise Cloud offering
- Tailored data center integration
- Pricing HANA appliances
- Licensing model „Limited Runtime Edition for Applications”
- Relevant reference customers
- Experienced consultants
- Suite on HANA customer care program



Critical success factors

- Migration project was very well planned
- Sufficient time required, depending on activities to be performed, e.g. dual-stack split, unicode conversion, EhP 7 and NW 7.40 upgrade
- Little custom code development
- Direct contact to SAP very important
- Motivated project team and good internal and external skills
- Before – after performance comparison of CH implementation not possible
- Although Swiss HANA project was business critical and very important it was „just“ the rehersal for the following migration project



Challenges

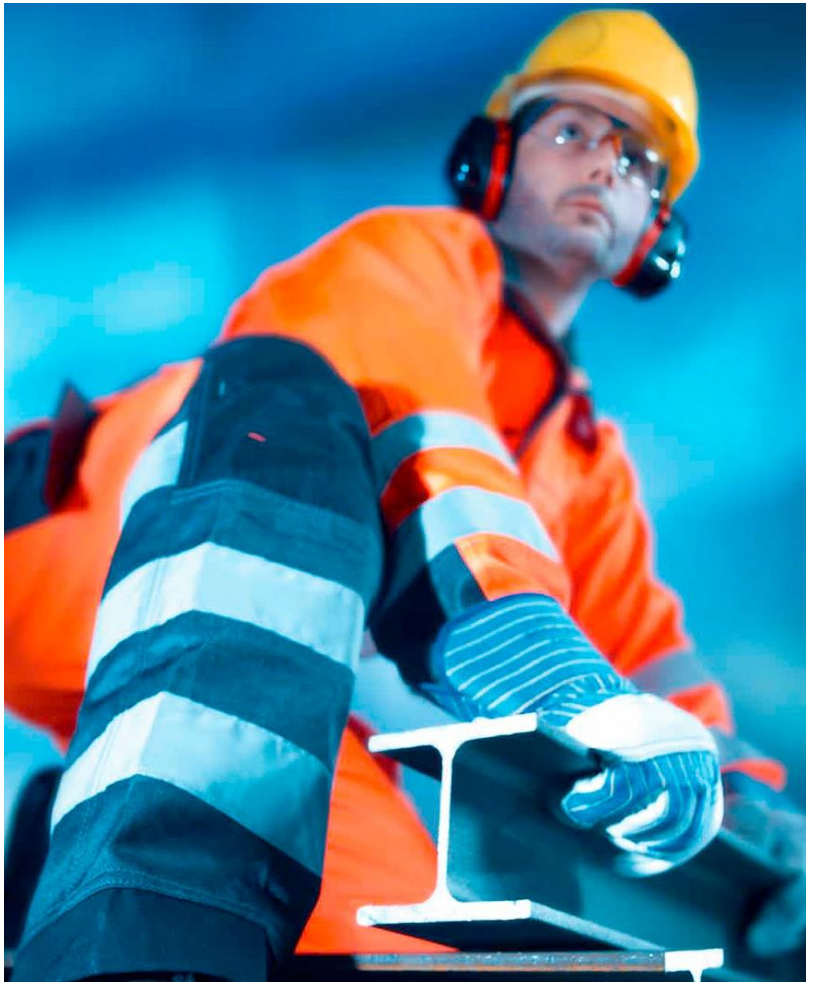
- Timeline 6 month
- Complexity / risk due to parallel migration of ERP and BW
- High expectations re. performance boost

  → before and after measurements

  → current objective is to maintain response times
- 5.000+ custom developed programs

  → Code checker

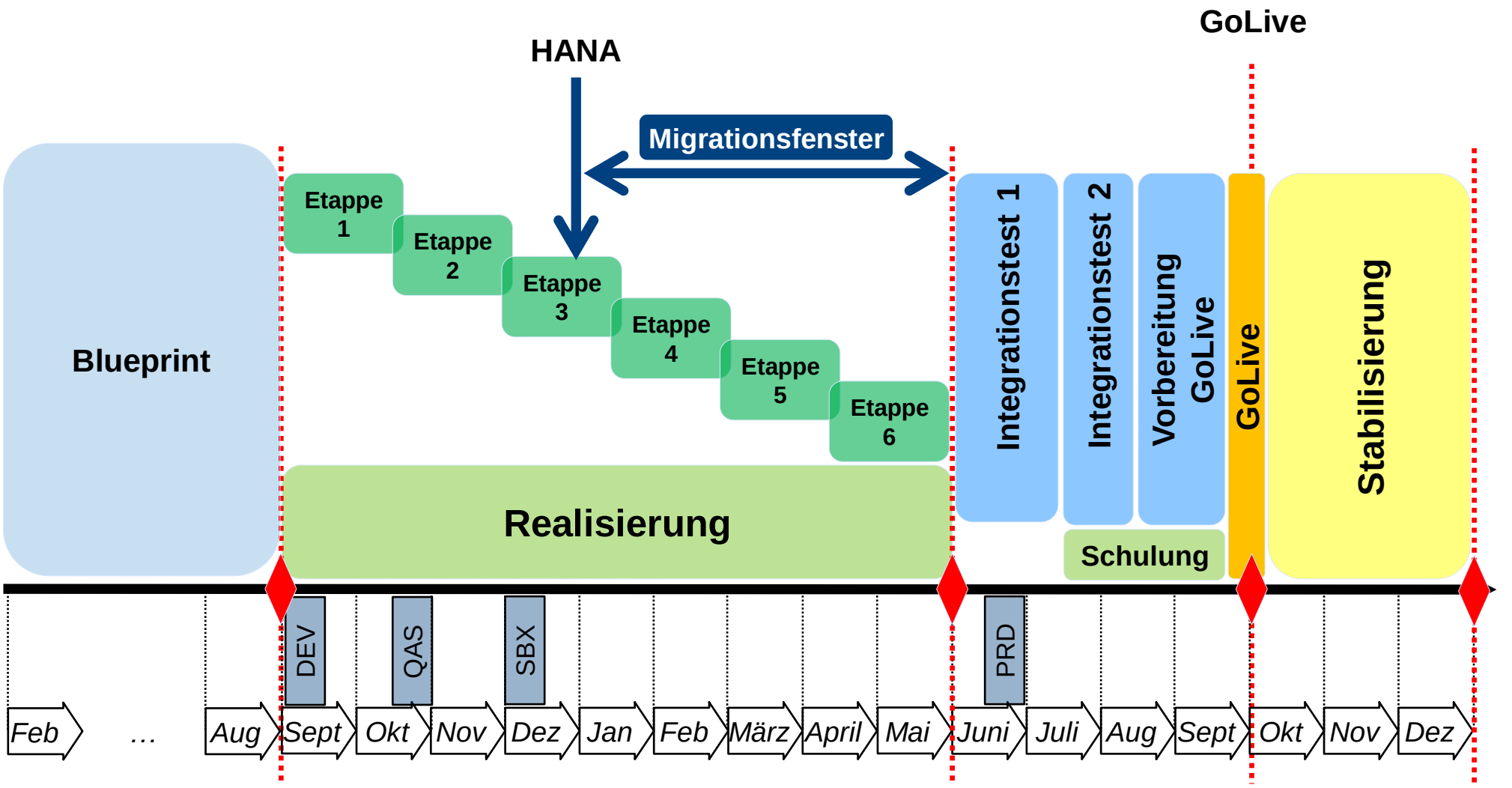
  → HANA enablement of custom code development



04 Discussion

Back-up

… und dann kam HANA



Our Symbol

the ears
attentive to customer needs

the eyes
looking forward to new developments



the nose
sniffing out opportunities
to improve performance

the legs
always moving fast to keep up with
the demands of the customers

the ball
symbolic of our role to fetch
and carry for our customers