



*International SAP Metals & Mining Summit*

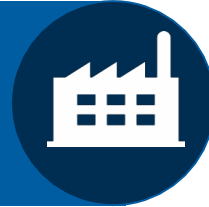
*How SAP TM is Used to Manage  
Transportation Logistics at Severstal*

*Oksana Stezhko*

# Severstal's innovative project on multimodal transportation management powered by SAP TM

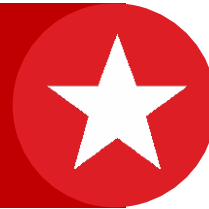
## Russia's first

SAP TM solution for metallurgy



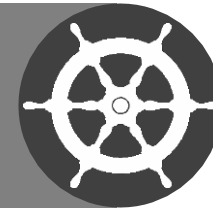
## Russia's first

SAP TM solution powered by HANA



## Russia's first

SAP TM solution for sea and river transport



## Russia's first

SAP TM solution for railway transportation management



## CIS' first

solution for interaction with carriers powered by Collaboration Portal



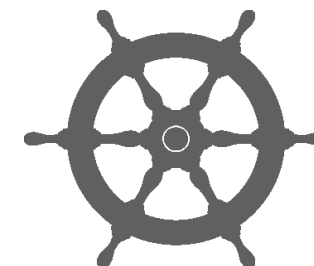
# Key Success Factors for the Implementation of SAP TM by Severstal



**Railway  
transportation**



**Trucking**



**Shipload lots**

## *Key success factors for the implementation:*

1. Deep analysis of the business case and economic effects from the implementation
2. Support from project owners (business stakeholders)
3. Co-innovation project supervised by SAP Digital Business Services and aimed at the implementation of a process for railway transportation management with the help of SAP solutions localized for Russia

accenture



Северсталь

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BearingPoint.

accenture

BearingPoint.

# Goals for the implementation of SAP TM at Severstal



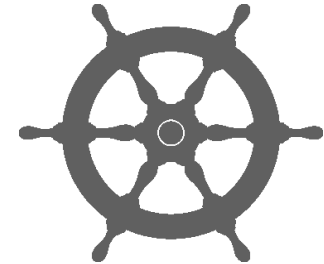
## Railway transportation

1. Ensure end-to-end planning and optimization of railway shipments
2. Increase the number of group shipments to receive discounts from RZD



## Trucking

1. Conduct tenders in order to lower the price
2. Ensure a faster turnaround of vehicles
3. Provide optimal route planning



## Shipload lots

1. Accelerate the dispatch of shipload lots from the port
2. Reduce inventories and free up working capital

*Railway Transportation Management  
Localization for Russia*

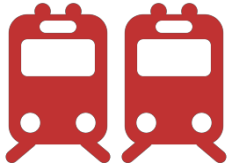
# Modified Operating Model for Railway Transportation

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## Centralized preparation of documents for railway transportation

*Execution of delivery notes in a single Center in cooperation with RZD*



## Group shipments allowing for discounts from RZD

*Intershop and inter-shift grouping of cars during handover to the network*



## Reduction of fines on the part of RZD for not using GU-12

*Scheduling of transportation on the basis of actual shipping dates from SAP APO*



## Introduction of paperless technology

*Optimization of workflow involving RZD*



## New customer service in the SAP Hybris online store

*Transportation statuses and shipping documents are now available*

# Operational Model for Railway Traffic Scheduling

## Transportation Scheduling



### Sales and Planning

- Receiving and processing of sales orders
- Production planning — determination of planned shipment dates for existing orders

### Fleet Management Office

- Preparation of estimates of tonnage requirements
- Reconciliation of monthly transportation schedules (application form GU-12) with RZD
- Adjustment of estimates of tonnage requirements within the current month (adjustment of applications)

### RZD

- Reconciliation of GU-12 applications in terms of cargo parameters and transportation directions

# Operational Model for Railway Traffic Management

## Transportation Execution



### Workshops and QCD

- Issuing certificates of quality
- Loading of goods into the car and registration of the fact of loading in the MES system

### Fleet Management Office

- Preparation and grouping of GU-27 delivery notes based on actual information about cargo
- Elimination of errors
- Monitoring of transportation

### RZD

- Approval of GU-27 delivery notes in ETRAN
- Reception of cars in the network of RZD



*Trucking Management*

# Modified Operating Model for Road Transportation

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## **Interaction with carriers via the Collaboration Portal**

*Reduction of labor costs associated with routine operations*



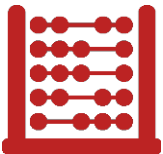
## **Conduct tenders in order to choose a carrier**

*Reduction of transportation costs, ensuring full transparency in choosing a carrier*



## **Automated assessment of the level of service provided by carriers**

*Ensuring transparency of quota allocation and motivation for improvement*



## **Automated invoice processing**

*Centralized and transparent invoice processing*



## **New customer service in the SAP Hybris online store**

*Transportation statuses and shipping documents are now available*

# Operational Model for Road Transportation

## Leveraging SAP TM Collaboration Portal



### Fleet Management Office

- Sales order processing
- Transportation planning
- Monitoring of transportation
- Checking of invoices
- Payment
- Assessment of carriers and calculation of quotas



### Carrier Portal

- Confirmation of applications for transportation
- Tendering
- Updating data in the system
- Issue of passes
- Billing

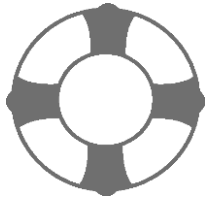


### Carriers

- Confirmation of applications for transportation
- Applying for passes
- Marking of events in the course of transportation
- Execution of payment documents through the Portal



## *Managing Shipload Lots*



## Planning of shipload lots using SAP TM

*Determination of the desired shipment date based on the planned dispatch date of the shipload lot, registration of the ship lot indicator in SAP APO*



## Changes in the production plan will be analyzed in terms of their impact on the following processes:

- *Trends in the accumulation of shipload lots at the port of shipment*
- *Readiness of the shipload lot in the seaport of shipment*

*Quick adjustment of shipload lots and shipping dates for the port*



## End-to-end monitoring for arranging shipload lots

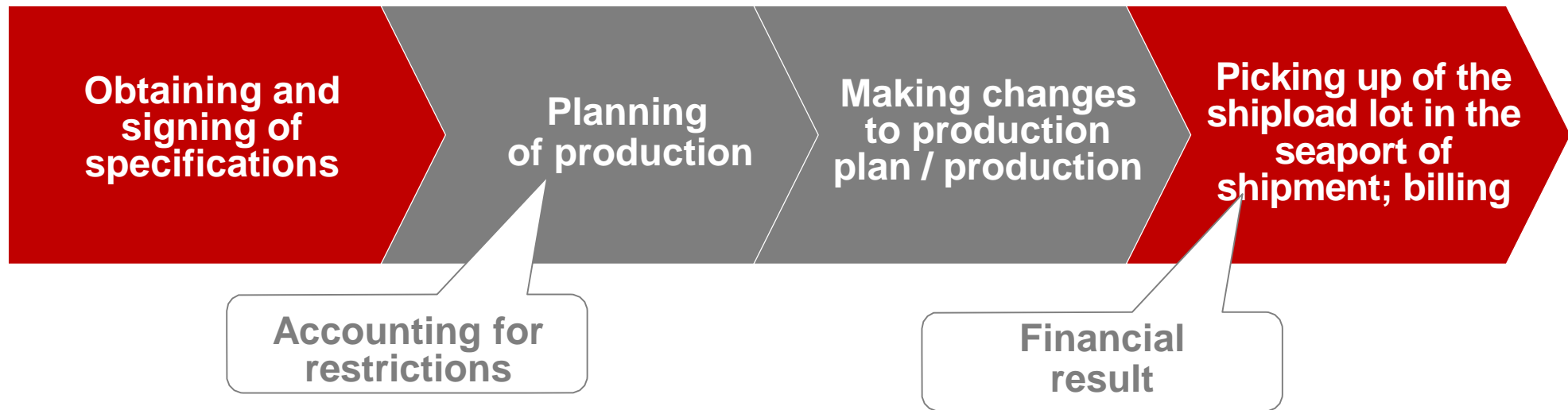
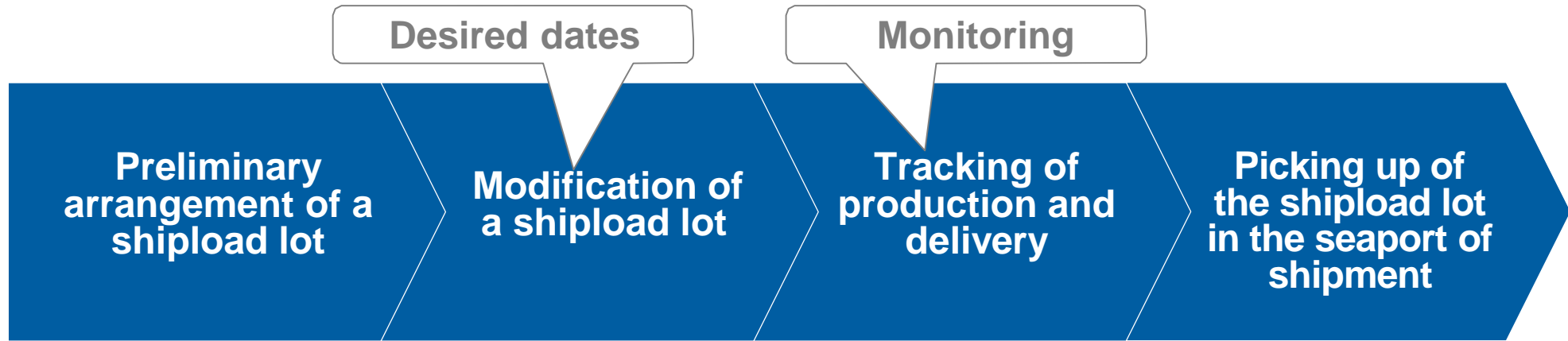
*Ensuring that production re-planning and executed shipments are taken into account*



## Tracking of shipload lots at all stages

*Monitoring of the location of river vessels, trucks, and railway cars used for transportation of the shipload lot; monitoring of unloading and loading of the shipload lot on a ship for transportation by sea*

# Operational Model for Managing Shipload Lots



SAP ERP

SAP APO

SAP TM

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*Thank you.*

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# Achieve more together

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