



DUBAI ALUMINIUM COMPANY LIMITED

ALIGNING IT WITH BUSINESS GROWTH STRATEGY AND GLOBALIZATION

QUICK FACTS

Industry

Mill products – primary metals

Revenue

More than US\$2 billion

Employees

4,100

Headquarters

Dubai, UAE

Web Site

www.dubal.ae

SAP® Solution and Services

Implementing the SAP® ERP application

Implementation Partner

Deloitte

Dubai Aluminium Company Limited (DUBAL) had proprietary, highly customized business applications that were an impediment to the firm's ambitious growth plans.

DUBAL replaced them with the SAP® ERP application – and gained all the functionality, integration, and scalability the firm requires. From finance to plant maintenance to IT, SAP ERP is delivering the scalability DUBAL needs to become one of the world's biggest producers of primary aluminum.

Key Challenges

- Achieve the IT scalability and flexibility needed to support growth
- Provide accurate, timely information to decision makers
- Avoid the risk of system obsolescence
- Save the time and expense of reconciling discrepancies, fixing errors, and duplicating tasks
- Cut maintenance and support costs
- Automate and integrate business processes

Implementation Best Practices

- Used ASAP methodology
- Completely avoided customization
- Reengineered business processes to follow best practices supported by SAP
- Involved users throughout the implementation
- Established six cross-functional teams: process, business intelligence, data management, technical, training, and change management
- Used train-the-trainer technique

Financial and Strategic Benefits

- Aligned IT with expansion strategy
- Achieved greater visibility into operations through world-class best practices
- Lowered administration costs
- Eliminated duplications and reconciliations
- Increased information availability
- Enhanced information security
- Shifted to proactive decision making
- Improved reporting capability
- Integrated planning with operations
- Provided commodity-pricing support
- Established platform for growth

Why SAP Was Selected

- Comprehensive functionality, especially for maintenance of continuous process plants
- Reliability record
- Reputation for scalability and flexibility

Low Total Cost of Ownership

- Completed the initial implementation in just nine months, meeting all schedule and budget targets
- Minimized support requirements by avoiding customization
- Lowered downtime through increased reliability
- Reduced risk of system obsolescence
- Decreased user reliance on IT for help

Operational Benefits

Key Performance Indicator	Impact
Monthly close time	-50%
Inventory costs	-13%
Plant maintenance costs	-12%
Cost savings compared with budget	+ more than 15%
Employee satisfaction	94%, an all-time high
Participation in employee satisfaction survey	72%, a record

“With the availability of quality information from our SAP solution, we are now able to set proper performance targets and meet them.”

Mohammed K. Othman, Manager, Maintenance Planning, Dubai Aluminium Company Limited

www.sap.com/contactsap

Dubai Aluminium Company Limited (DUBAL) is Dubai's industrial flagship and one of the largest non-oil contributors to the economy. Its modern smelter produces almost 1 million metric tons of high-quality molten aluminum per year. DUBAL has aggressive growth plans: by 2015 the company aims to be one of the top five aluminum producers in the world.

Business Software That Stood in the Way of Growth

DUBAL's IT landscape represented an obstacle to achieving these growth plans. The company used a mix of homegrown applications and a highly customized version of an enterprise resource planning (ERP) system. Integration was poor and application silos prevailed. The disparate systems were expensive to support and use, with frequent duplication of effort and error-reconciliation cycles. With all the customization, scalability and the threat of obsolescence were constant concerns.

The company knew it needed business software that would help achieve growth, not hinder it, and so it launched an investigation into modern solutions. The SAP® ERP application quickly rose to the top because of its comprehensive and highly integrated functionality – especially for maintenance of process plants, specific to DUBAL's business. With its reliability, scalability, and continual enhancements, SAP ERP was

also the safe choice as DUBAL's platform for the long-range future.

Complete Transformation in Nine Months

With Deloitte as its partner, DUBAL implemented SAP ERP expeditiously. Since customization had been a major part of the previous systems' limitations, the team avoided customization and instead revised DUBAL's business processes to fit best practices supported by SAP. Not only did this provide full software supportability, but it also improved user efficiency by molding business operations to make optimal use of the application. DUBAL went live with SAP ERP after only nine months, a testament to the careful planning and execution of the project team.

The project was a success in every way. DUBAL reports higher efficiency, lower costs, and improved information availability throughout the organization. Disjointed business processes and seams between them have been replaced by smoothly integrated processes that deliver accurate results, faster. The company no longer suffers from duplication of effort, nor the accompanying errors and reconciliations.

Benefits for Finance, Plant Maintenance, and More

In finance, the immediate availability of accurate information, along with simplified reporting processes, allows the company to close its monthly books in one week

instead of two. Better information visibility also allows DUBAL to track actual costs versus expectations more effectively, resulting in improved performance against budget. In addition, SAP ERP provides time-saving support for commodity pricing, the market-monitoring method DUBAL uses for pricing its products. Soon DUBAL will totally automate this process by linking to a live data feed from the metals exchange via the services of a news agency.

In plant maintenance, DUBAL reports many more benefits. With improved processes and information, the company can more easily adjust its manufacturing plans to accommodate short-term product needs while optimizing the use of plant capacity. Equipment calibration, an error-prone manual process before, has been expedited through software-generated work orders and automatic tracking of calibration needs. Warehousing and inventory costs are down now that misinformation no longer leads to overstocking, duplicate spares, and inefficient operations.

Most important, DUBAL now has a platform it can trust to support its rise to the top echelons of the world's aluminum production industry.

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