

## SAP Customer Success Story Mining



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Phil Palmer, Program Manager, Zinifex Limited

### AT A GLANCE

#### Company

- Name: Zinifex Limited
- Location: Melbourne, Australia
- Industry: Mining
- Products and services: Zinc and lead mining, smelting, and distribution
- Revenue: US\$1.25 billion
- Employees: 3,500
- Web site: www.zinifex.com
- Implementation partner: Nokusa Engineering Informatics

#### Challenges and Opportunities

- Risked being noncompliant with health, safety, and environmental regulations
- Faced legal, production, and engineering project risks from any potential failure to access the most recent, approved version of critical documents
- Suffered the inefficiency of using 12 disparate systems to manage documents

#### Objectives

- Implement single corporate-wide document management solution
- Make the solution easy to access and use
- Mitigate business risk

#### SAP® Solutions and Services

- SAP® Easy Document Management application
- SAP NetWeaver® Portal component
- SAP Business Workflow tool

#### Why SAP

- World-class document management functionality
- Strong recommendations from existing users
- Tight integration with existing plant maintenance and materials management functionality
- Friendly user interface

#### Implementation Highlights

- Met all schedule, budget, and engineering goals on all 6 implementations to date
- Migrated 250,000 documents to new solution
- Developed interfaces to AutoCAD software and replaced all 12 legacy document management systems

#### Benefits

- Achieved compliance with regulations
- Simplified access, use, and support of document management infrastructure
- Attained universal user acceptance
- Improved productivity
- Achieved a standard company-wide approach to classifying, retrieving, and controlling documents

#### Existing Environment

- 12 disparate document management systems
- SAP software, functionality now found in the mySAP™ ERP application

#### Third-Party Integration

- Database: Informix, MaxDB
- Hardware: Hewlett-Packard
- Operating systems: UNIX, Microsoft Windows NT

## ZINIFEX

### Mining Industry Giant Uses SAP® Easy Document Management to Attain Compliance with Government Regulations

Zinifex Limited, one of the largest integrated zinc producers in the world, turned to SAP for help reaching and maintaining compliance with the many government-imposed health, safety, and environmental regulations that apply to the mining and resources industry. Complying with these regulations requires ready access to accurate engineering drawings and other documents. Zinifex installed the SAP® Easy Document Management application to provide this access, replacing the 12 disparate document management systems previously in place. For quick and easy access to the hundreds of thousands of documents the solution maintains, its 1,500 users employ the SAP NetWeaver® Portal component. Now that Zinifex is compliant with regulations, the company is no longer concerned about government compliance or document-related security, safety, and environmental problems.

From its headquarters in Melbourne, Australia, Zinifex operates two mines and two smelters domestically, including the world-class, open-cut Century Mine in Queensland, as well as smelters in the Netherlands and the United States. With 3,500 employees and US\$1.25 billion in revenues, the company is one of the world's foremost producers of zinc and lead, and distributes these metals and associated alloys to customers in 20 countries.

### **Noncompliance Means Costs and Risks**

Mining is a heavily regulated industry in Australia and the other countries where Zinifex operates its business. Document management technology plays a key role in maintaining regulatory compliance, as well as providing for the employee health and safety that these regulations are designed to protect. Workers performing maintenance in a dangerous part of a smelter, for example, count on accurate, up-to-date work procedures and drawings to conduct their operations safely. Inadequate document management, such as when important work procedures and drawing files are difficult or time-consuming to find, can ultimately lead to injuries, plant downtime, equipment damage, and other human and capital costs – and even government-mandated shutdown in extreme cases.

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Regulations require that accurate, up-to-date documents be readily available whenever and wherever they are needed. With 12 disparate document management software systems in operation, however, Zinifex feared that its risk of noncompliance was too great and launched a project in 2004 to replace them all with a single comprehensive solution.

Zinifex began by drafting a rigorous set of requirements based on input from both IT and business users throughout the organization. The new solution had to have the functionality to securely manage hundreds of thousands of documents and provide fast, easy access even to employees who lacked experience with computers and SAP software.

### **Zinifex Discovers SAP Is a Major Player in Document Management**

Because Zinifex is a longtime SAP customer, the company included the enterprise resource planning leader among the many document management system suppliers to consider for its new solution. “Whenever we adopt a new application of any kind, we prefer SAP if all else is equal, in order to achieve the tight integration with our existing applications that SAP consistently delivers,” says Zinifex CIO Peter Dean. “Going into the evaluation, however, none of us thought document management was a core area for SAP. But we were pleasantly surprised to learn that SAP is indeed a very serious player.

“SAP Easy Document Management met every one of our stringent requirements, and our users responded enthusiastically to its features. We found it to be highly configurable, functionally rich, and closely integrated with the plant maintenance and materials management functionality of our SAP solution.”

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To verify its choice of SAP Easy Document Management, Zinifex checked with several existing users, all of whom provided extremely positive recommendations. “They praised not only the software but also the implementation partner SAP recommended, Nokusa Engineering Informatics,” adds Phil Palmer,



Zinifex program manager. “SAP document management system implementation is what they do, and they have become very good at it.”

Zinifex easily identified the right solution for making documents readily accessible by users. “Like SAP Easy Document Management, SAP NetWeaver Portal is tightly integrated into the overall SAP solution. And because of its simplicity, we knew that it would be easy to use even for non-SAP-software users,” says Palmer.

### **On Goal, Within Budget, and on Schedule – Every Time**

With clear choices for both the solution and implementation partner, Zinifex proceeded with confidence into the project. They selected the Century Mine for the pilot, but from the outset designed the system to embrace all of Zinifex. In order to gain ready acceptance from business users, the team conducted its up-front scoping and planning at the mine rather than headquarters. Dean and Palmer regard this choice, as well as their decision to involve members of the business staff in every aspect of the project, as keys to the broad buy-in they achieved.

Zinifex and Nokusa Engineering Informatics faced a very tight pilot deployment schedule – just seven months – with a great deal to accomplish. Besides implementing the software, the team had to perform document conversions to SAP Easy Document Management from each of the 12 legacy systems as well as the CAD system the company uses for storing many of its engineering drawings, AutoCAD. Migrating existing files from the 12 systems was a monumental undertaking. In late 2004, within budget and right on schedule, the team successfully wrapped up the pilot project.

Over the next 18 months, the team rolled out the software to the company’s five other Australian sites and in every case met budget and scheduling objectives. For some of these sites, because thousands of drawings existed only on paper, the team engaged a local service bureau, utilizing document conversion tools from SEAL

Systems Inc., to scan them for storage in SAP Easy Document Management. Counting all six operational sites, SAP Easy Document Management now maintains 210,000 engineering drawings, 10,000 corporate records, and 30,000 governance documents that describe policies, procedures, and work instructions. Even though these documents range up to 10 MB, Zinifex is achieving its fast-retrieval-time objectives – less than three seconds on the average. For this performance, Zinifex credits both the inherent speed of SAP Easy

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Document Management and wise choices made in architecting the system. For example, local servers at each site store and serve up local documents, which represent the vast majority of the files requested. The central SAP application, conversely, maintains an index linked to remote sites that facilitate requests for remotely stored documents.

### **Compliance Achieved**

Calling the project “a tremendous success,” Dean is pleased that a single solution has greatly simplified the entire document management process while vastly improving document security. “Important as our productivity and security improvements are, they are just side advantages compared to the main benefit of Zinifex now being compliant with all document management regulations,” he explains. “No longer do we worry about document access problems that can impact on our people’s safety or the environment.”

SAP Easy Document Management provides a number of new features that enhance Zinifex users' productivity. For example, automatic e-mail notifications are now issued whenever a new document is authorized or ready for review. Because of the tight integration between document management and plant maintenance functionality, Zinifex users can drill down to all documents associated with any particular plant or piece of equipment and quickly retrieve them for viewing or modification. Shop floor papers are now integrated within the solution as well, ensuring that the instructions people use in maintenance activities are always accurate and up-to-date.

#### **SAP Customer/Partner Award of Excellence**

With all of Zinifex Australia covered, only two more sites remain – the smelters in the United States and the Netherlands. When Nokusa Engineering Informatics brings them into the SAP Easy Document Management fold as well by 2008, the company-wide rollout will be complete. SAP did not wait until then, however, to bestow its SAP Customer/Partner Award of Excellence to Zinifex and Nokusa Engineering Informatics. This award recognizes that Zinifex is the foremost user of SAP Easy Document

Management in Australia, takes advantage of most of its features and functions, and has achieved a high degree of usage and user acceptance. It also recognizes Nokusa Engineering Informatics's excellence in meeting all project goals on time and within budget on all six occasions to date.

Palmer is quick to share credit for his team's achievements with the partners who made them possible. "Nokusa Engineering Informatics demonstrated exceptional commitment to openness, trust, and relationship building. They are the best SAP implementation partner we have ever had," he concludes. "And the SAP products are up to SAP's usual high standards. The portal is so user-friendly that we now have 1,500 users, more than any other system or SAP solution has ever enjoyed. SAP Easy Document Management has proven to be a world-class document management system, in the same league with the leading solutions on the market. We recommend it highly to any SAP user in need of a strong document management solution. All in all, we could not be more pleased about the decisions we made and the partners we chose."