



# Innovation-ready

Salzgitter AG Implements Green Technology with SAP S/4HANA Transformation



### **About Salzgitter AG**

For more than 150 years, the companies of the Salzgitter Group have stood for innovative and sustainable production of steel and technology products. Salzgitter AG is one of Germany's leading steel and technology groups and employs around 25,000 people worldwide in 160 national and international subsidiaries and associated companies. In the financial year 2023, Salzgitter generated around 11 billion euros in external sales with a crude steel capacity of 7 million tonnes.

As a pioneer in the circular economy, the group focuses on the sustainable innovation and transformation of its products and processes in the business areas of steel production, steel processing, trade and technology.

With its 'Salzgitter AG 2030' strategy and the 'Pioneering for Circular Solutions' principle, the Group is setting new standards in industry. This claim is realised through strong initiatives and programmes such as SALCOS® - Salzgitter Low CO2 Steelmaking.



Maintaining and expanding competitiveness through innovation and strategic sustainability: Salzgitter AG is consistently pursuing this goal and is thus positioning itself for a successful future. A central element in this is the SAP S/4HANA transformation, in which the group is working closely with cbs Corporate Business Solutions. Having already reached important milestones in recent years, the project is now coming to an end.

Decarbonizing a leading German steel company is an ambitious goal, to say the least. After all, steel production and processing are among the most emission-intensive industrial processes. Nevertheless, Salzgitter AG decided early on to make the project a reality. Reducing the carbon footprint is not an end in itself, but also ensures the company's economic efficiency and competitiveness in the future.

At the same time, Salzgitter AG's sustainability strategy is also driving digitalization. With the SAP S/4HANA transformation program, the group is creating an important basis for implementing innovation and sustainable development.

The S/4 project is now entering the home stretch. "We have already implemented the major parts of this transformation program, thanks in part to the help of our

partners," says Arne Brinkmeier, Head of Applications SAP and Program Manager S/4HANA Transformation at Salzgitter Digital Solutions, the IT service provider of Salzgitter AG.

### **Transformation during production**

As part of the SAP S/4HANA project, the Salzgitter Group has not only consolidated its systems but has also harmonized processes in the finance and purchasing areas. This has laid the foundations for efficiently implementing new business models and technological innovations – such as SAP's sustainability portfolio – in the new system landscape. One of the most important milestones was the go-live of the steel companies, the core production sites where steel is produced and processed. There was the special requirement that production should run in parallel. "This meant that we only had a few days to stop the ERP system, transfer it to S/4HANA, carry out the data migration and then reconnect it to production and thus read in the many interfaces and telegrams," explains Arne Brinkmeier.

The go-live of the steel companies proved to be demanding. "That was certainly something special. We had a 100-hour cutover phase, 60 hours of which were dedicated to data migration alone. The processes ran through in that moment. So we had to rely on

the system being available and connected again under S/4HANA. That was a very important phase," says Arne Brinkmeier, describing the process. The foundations for the successful go-live were extensive tests, which began nine months before the scheduled implementation, and the support provided by cbs.

"cbs provided us with truly outstanding and highly professional support. Having such a reliable partner at our side gave us a great deal of confidence and support and contributed to our success"

Arne Brinkmeier
Head of Applications SAP
and Program Manager S/4HANA
Transformation at
Salzgitter Digital Solutions



## The goal: decarbonizing the value chain

Salzgitter AG pursues a consistent sustainability strategy, within this framework programs such as SALCOS® (Salzgitter Low CO2 Steelmaking) are implemented. The goal is to achieve steel production with low CO2 emissions. By introducing SALCOS®, the Group is aiming to achieve climate neutrality itself while also helping its customers to decarbonize their value chains sustainably and transparently. The green products offer solutions for companies in the energy, automotive and construction industries that want to reduce the CO2 emissions of their products.



To ensure and monitor this, the facilities and systems must be connected on the IT side and data transparency must be established. In this way, the sustainability strategy is becoming a driver for digitalization at Salzgitter. Specifically, the carbon footprint is to be calculated at the company and product level, for which the emissions must be measurable and able to evaluate. Ultimately, there also needs to be a way to incorporate the data into the company's processes in order to derive real added value from it. Solutions such as SAP Sustainability Footprint Management, SAP Environment, Health and Safety Management and SAP Sustainability Control Tower serve this purpose, and can now be implemented and tested after the transformation to S/4HANA. And that's not all: the steel company is examining the decarbonization of the value chain using software for carbon footprint accounting that compares incoming and outgoing emissions. At the same time, the SAP Analytics Cloud (SAC) is used as a reporting solution in the background.

However, the transformation is not only used to implement the sustainability strategy. It also enables the company to develop in all areas. "SAP S/4HANA provides us with the basis for implementing further innovations. We are relying on a hybrid system architecture based on SAP BTP," says Brinkmeier. "We currently operate our systems on-premise, but the cloud gives us the opportunity to adopt SAP innovations very dynamically."

### Good teamwork, high satisfaction

cbs provided advice and support throughout the entire project. Arne Brinkmeier also emphasizes this:

"We have implemented a mammoth project with the S/4HANA transformation program and thus laid the foundation for tackling innovations. Working with cbs was a very positive experience. In particular, the data migration went smoothly despite the high level of complexity. We also fought our way through some tough times together, but in the end we completed a very successful project – we are definitely innovation-ready."

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