

Capgemini's Metals and Mining Practice

Capgemini and the World's Leading Metals and Mining Companies Collaborate to Enable Change through Insight and Technology

Challenges Facing the Industry

After the economic downturn, which led to a sharp decrease in demand across the globe, the metals and mining industry is again seeing growth and is expected to reach \$2.06 trillion by 2012. Developing economies like China and India will play a significant role in this future growth, and as in the past, iron and steel will most likely claim the largest share of the industry.

But in spite of the encouraging signals it is advisable to remain cautious. The economic slowdown has created and exacerbated various challenges for the industry – which consequently leads to new opportunities and strategies to cope with them:

- **Declining Financial Health:** The slowdown led to a decrease in demand for metals and mining commodities

resulting in severe financial pressure. Improving energy efficiency and capacity utilization remain among the top challenges for metals and mining companies.

- **Uncertainty in the Business**

Environment: Though the global economy is hinting at recovery, volatility in prices and the time frame of the recovery have created uncertainty in the industry. The developing economies of China and India are driving growth, but the business environment still remains unsettled even in these economies.

- **Changing Demand Profiles:** The nature of economic recovery is leading to the realignment in demand of metals and mining commodities.





Companies Focus on Operational Efficiency, Managing Uncertainty and Changing Customer Demands

Post-recession, the focus of top management has shifted from business expansion to operational efficiency. This includes an emphasis on improving process efficiency, restructuring and cost cutting, supply chain management excellence and divestment of non-core operations.

At the same time, metals and mining companies will look to manage the current business uncertainty through initiatives such as joint ventures, horizontal integration across the value chain, risk management and diversifying their customer base. They will also need to adapt to changing customer demands through a more dynamic product mix, increased focus on new and emerging markets, and more geographically diversified global operations.

Capgemini in Metals and Mining

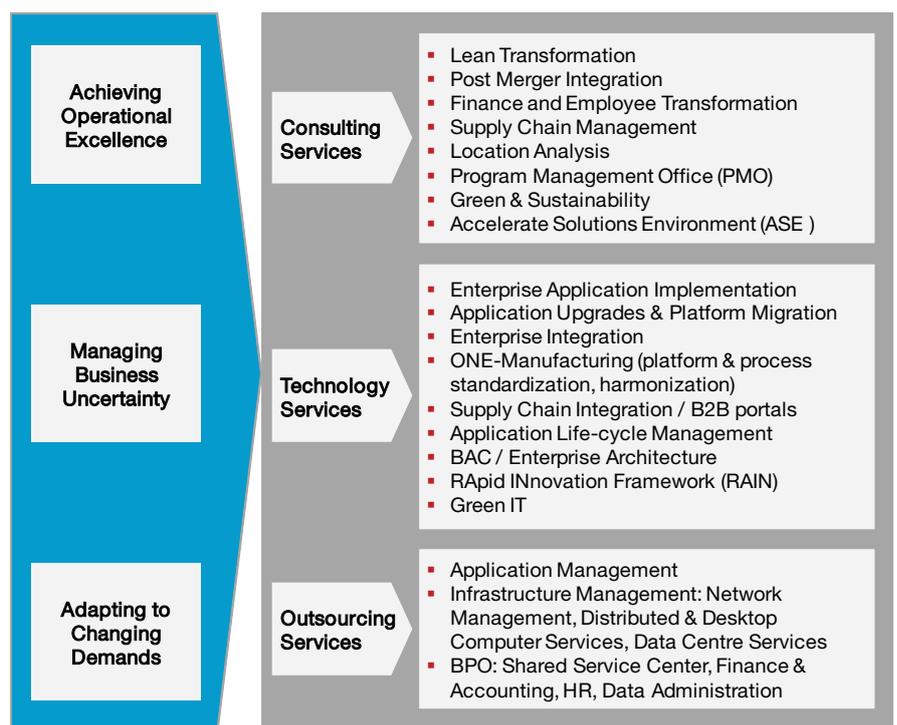
Capgemini is helping metals and mining companies make the necessary changes to shift their focus and address today's challenges. We draw on our experience of working with many of the world's largest metals and mining companies to help businesses develop successful leadership strategies and optimize their operations. Our industry solutions include Lean Transformation, One Manufacturer and Application Lifecycle Services (compare figure below).

NOVELIS Foil France Entrusts Capgemini with the Maintenance and Enhancement of its SAP ERP System

The Situation

Until the end of 2008, NOVELIS outsourced its applications maintenance to an international support center. The distance and language barriers made it more complex to communicate clear statements of requirements for

Capgemini Capabilities, Across its Consulting, Technology, and Outsourcing Services, Address Key Focus Areas of the Metals and Mining Industry



enhancements to the NOVELIS SAP system to adapt it to changing business needs. As a result, users resorted to developing their own office-based solutions to meet the business objectives and, little by little, SAP was seen as a constraint. In addition, the application maintenance costs were disproportionate to the service received.

The Solution

In 2009, NOVELIS started to look for a company with a local presence that could redefine its installed SAP system. Such a company would have to provide a high level of service and practical advice and have the capacity to manage both maintenance and enhancements to the system. Capgemini was able to meet all of the criteria identified by NOVELIS through its SAP Service Center based in Rennes. As we were able to meet the requirements of NOVELIS in this way, the solution we proposed allowed us

to develop a real intimacy with the client at the Rugles production facility. This is an integrated part of the NOVELIS group which has the responsibility for defining the management strategy for its Information System.

The Result

The users have started to re-use the SAP information system and its in-built functionality. The skill and experience of Capgemini have enabled new strategic projects to be identified and planned to ensure the information system will meet the new business challenges faced by NOVELIS. The ability to intervene in all domains and the availability of IS skillsets (MES and SAP) have resulted in the reliable transfer of data, which in itself gives a real opportunity to optimize the flow of industrial information and to make realistic management decisions.

CHROME: Accelerating Solutions at Optimum Costs

CHROME, Capgemini's Center for Manufacturing Excellence, is a virtual global community with a dedicated solution lab located in Mumbai, India. The center captures best-practice benchmarks, solutions and enablers that accelerate process execution for our clients. Capgemini's industry-specific solutions are supported by a repository of tools and accelerators that help systems go live quickly, at lower costs and with less risk. These include:

- End-to-end preconfigured SAP templates for Automotive manufacturing, including hundreds of reusable components; as well as Maintenance, Repair and Overhaul (MRO) and Discrete Manufacturing.
- Preconfigured solution kits for PLM for Aerospace, Air Traffic Management for Aerospace, Testing Services, Application Lifecycle Services.
- A ready environment to build, test and demonstrate the proofs of concept for specific solutions.
- SAP Deliver 2.0, Capgemini's world-class SAP delivery methodology.
- A Manufacturing Business Process Template, a repository of Application Maintenance tickets with ready solutions with reusable code blocks and test scripts, and a global manufacturing subject matter expert locator – providing quick access to various skills.





About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working, the Collaborative Business Experience™. The Group relies on its global delivery

model called Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in more than 30 countries, Capgemini reported 2009 global revenues of EUR 8.4 billion and employs 90,000 people worldwide.

More information about is available at www.capgemini.com.

About Capgemini's Global Manufacturing Practice

A trusted adviser to more than 1,000 leading manufacturers, Capgemini has deep expertise spanning from high tech and industrial products to automotive, aerospace and defense. We work with 70% of the largest diversified manufacturers; 90% of the largest manufacturers and suppliers in the high tech industry; eight of the top 10 consumer electronics manufacturers; 14 of the world's 15 largest vehicle manufacturers and 12 of the 15 largest automotive suppliers; and seven of the top 10 aerospace and defense companies. We are one of the world's foremost providers of consulting, technology and outsourcing services, and our unique way of working with clients, called the Collaborative Business Experience, helps you achieve better, faster and more sustainable results. For more information: www.capgemini.com/manufacturing

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