

Jeff Leach, Product Line Manager, B2B Services, IBM

Dennis Carroll, Manager, Information Systems, Saint-Gobain Abrasives

June 30, 2011



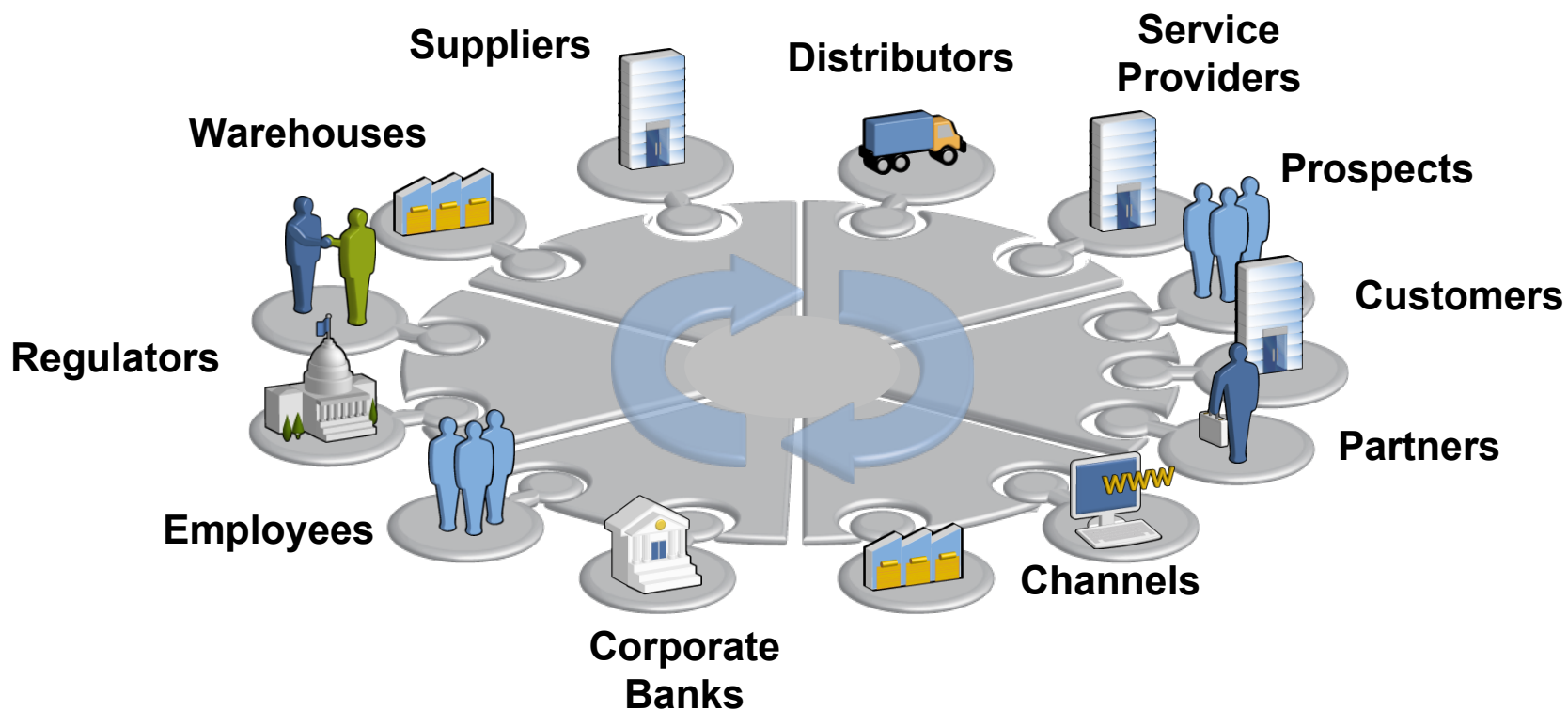
# B2B Collaboration Challenges in a Global Economy: How Saint-Gobain Leveraged IBM Sterling B2B Cloud Services



## Agenda

- B2B collaboration challenges
- Addressing the challenges with IBM Sterling B2B Cloud Services
- The Saint-Gobain Abrasives story – Dennis Carroll

# B2B collaboration enables the dynamic business network

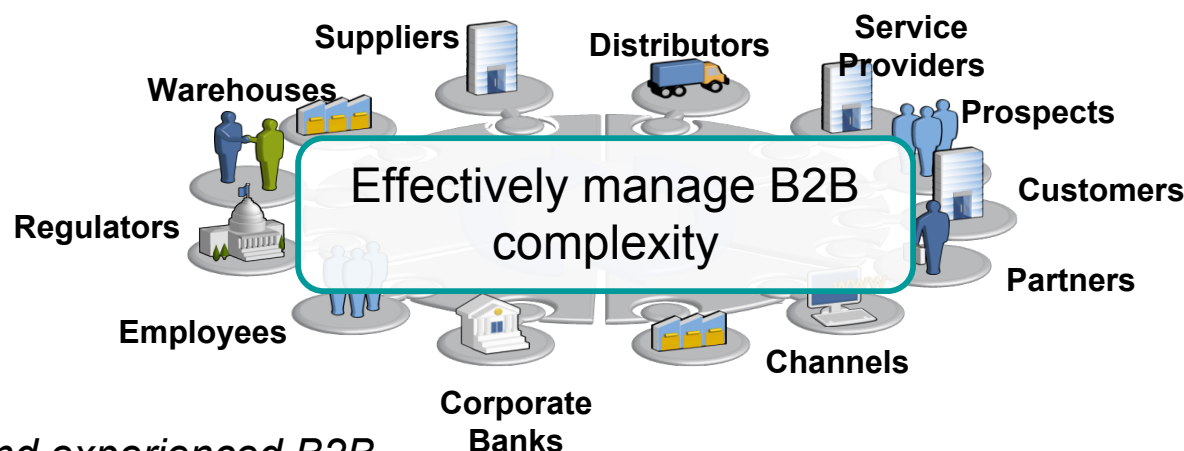


**Connect, communicate, and collaborate with customers, partners, and suppliers**

# It's difficult and expensive to optimize B2B collaboration with limited capacity & capability

*Expensive and resource-intensive to meet document processing SLA expectations*

*Too many manual processes create too many errors and negatively impact key processes like order-to-cash, procure-to-pay, and reverse logistics*



*Skilled and experienced B2B resources are in short supply, expensive, and difficult to retain*

*Limited IT bandwidth impacts the amount of support IT can provide to LOB projects*

## Heightened business expectations drive the need for B2B excellence

# Required capabilities drive up the total cost of ownership of B2B collaboration



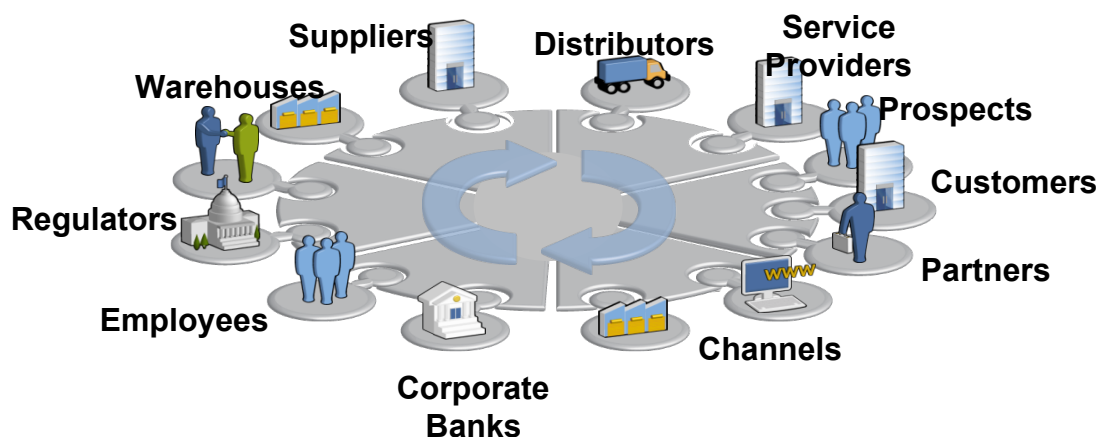
## **Community Management**

*Multi-lingual and multi-time zone support to meet the expectations of the extended global trading community*



## **B2B Visibility**

*Trading partner connectivity requirements to eliminate manual processing errors and enable a single real-time view across the supply chain*



## **B2B Process Management**

*Skilled and experienced people required to optimize B2B business process*



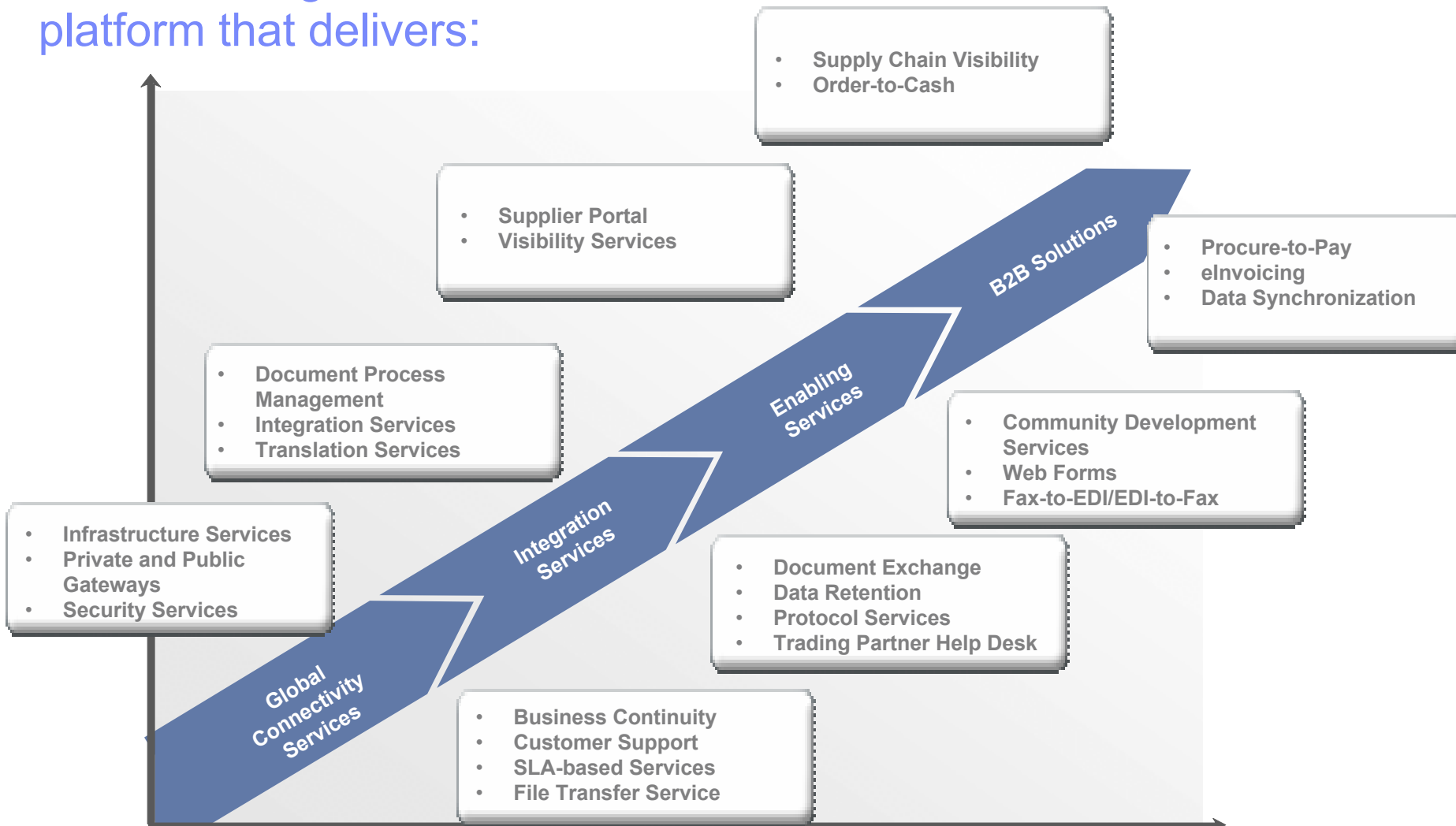
## **B2B Integration Infrastructure**

*Optimized and scalable to support the increasingly complex ways global trading partners want to do business*

## Top 10 reasons companies look to managed services (in no particular order)

1. Reduce the TCO of B2B collaboration – cost predictability
2. Free up internal IT staff to focus on core competency projects
3. Accelerate B2B collaboration with global customers and suppliers
4. Gain/acquire/retain global access to skills and technology
5. Labor arbitrage
6. Improve time-to-market
7. Improve service levels – internal and external customers
8. Ensure scalability and agility
9. Gain competitive advantage through streamlining processes
10. Gain best-in-class processes

# IBM® Sterling B2B Cloud Services is offered on a multi-tenant platform that delivers:



# A comprehensive solution: IBM® Sterling B2B Integration Services



Your Company

<b>B2B Integration</b>	<b>Process Visibility</b>	<b>B2B Process Mgmt</b>	<b>Community Support</b>
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- Global B2B Network
- Business Continuity & Security Services
- Business focused SLAs
- Mapping & Translation Services
- Supplier Portal, Managed AS2, Fax-to-EDI
- Partner Onboarding Services

- Data and Business Process Visibility

- Transition Services
- Document Process Management
- Integration Services
- Enhanced/customized Business SLAs
- Enhanced/customized Support
- Program Management

- Trading Partner Help Desk
- Trading Partner Integration Services





# **B2B Collaboration Challenges in a Global Economy: How Saint-Gobain Abrasives Leveraged IBM Cloud Services**

Presented by:

Dennis Carroll – Manager, Information Systems  
Saint-Gobain Abrasives

# Agenda

- **Saint-Gobain Abrasives Overview**
- **Historical Perspective – Business Case**
- **Vendor Selection**
- **Project Start**
- **Infrastructure**
- **Project Methodology and Tools**
- **On Going Support**
- **Benefits**
- **Lessons Learned**

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# Saint-Gobain Abrasives - Overview

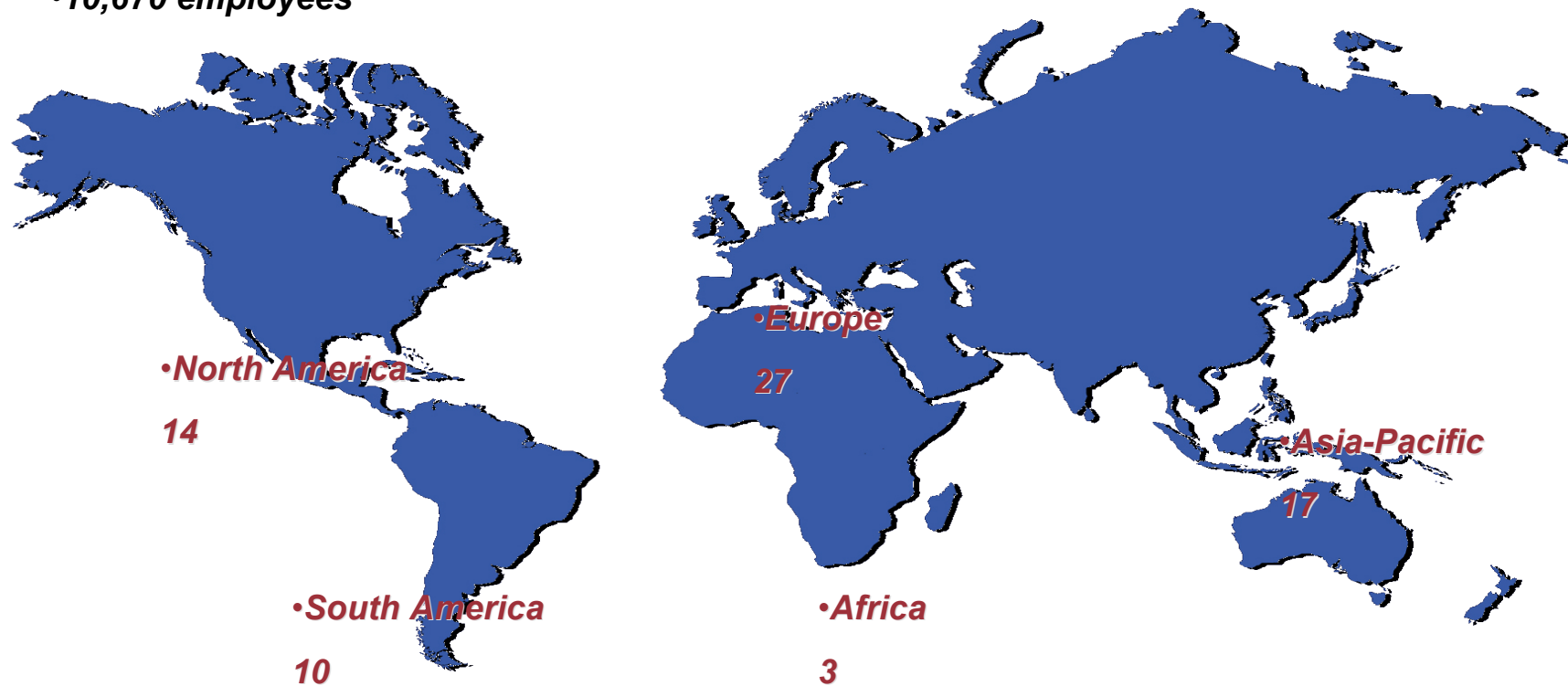
- **Saint-Gobain Abrasives is part of Compagnie de Saint-Gobain, a Paris-based global entity with 2010 sales of \$55B**
- **Saint-Gobain Abrasives provides solutions to ...**
  - **material removal and surface finishing challenges (tooling, cutting, grinding, sharpening, finishing)**
  - **faced by our professional and individual customers**
- **Use of abrasive grains (aluminum oxide, silicon carbide, diamond or boron nitride base)**
- **Manufacture of rigid products (by bonding them with a binder) or on a flexible support**

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# Saint-Gobain Abrasives - Overview

- 71 Plants / 24 Countries
- 10,670 employees



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# Saint-Gobain Abrasives - Overview

- Bonded Abrasives

- **Natural or synthetic abrasive grains bonded into a solid form, usually in the shape of a wheel**



**Vitrified Wheels**



**Organic Wheels**



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# Saint-Gobain Abrasives - Overview

- Thin Wheels
- **Natural or synthetic abrasive grains bonded into a solid wheel, strengthened with fiberglass mesh**



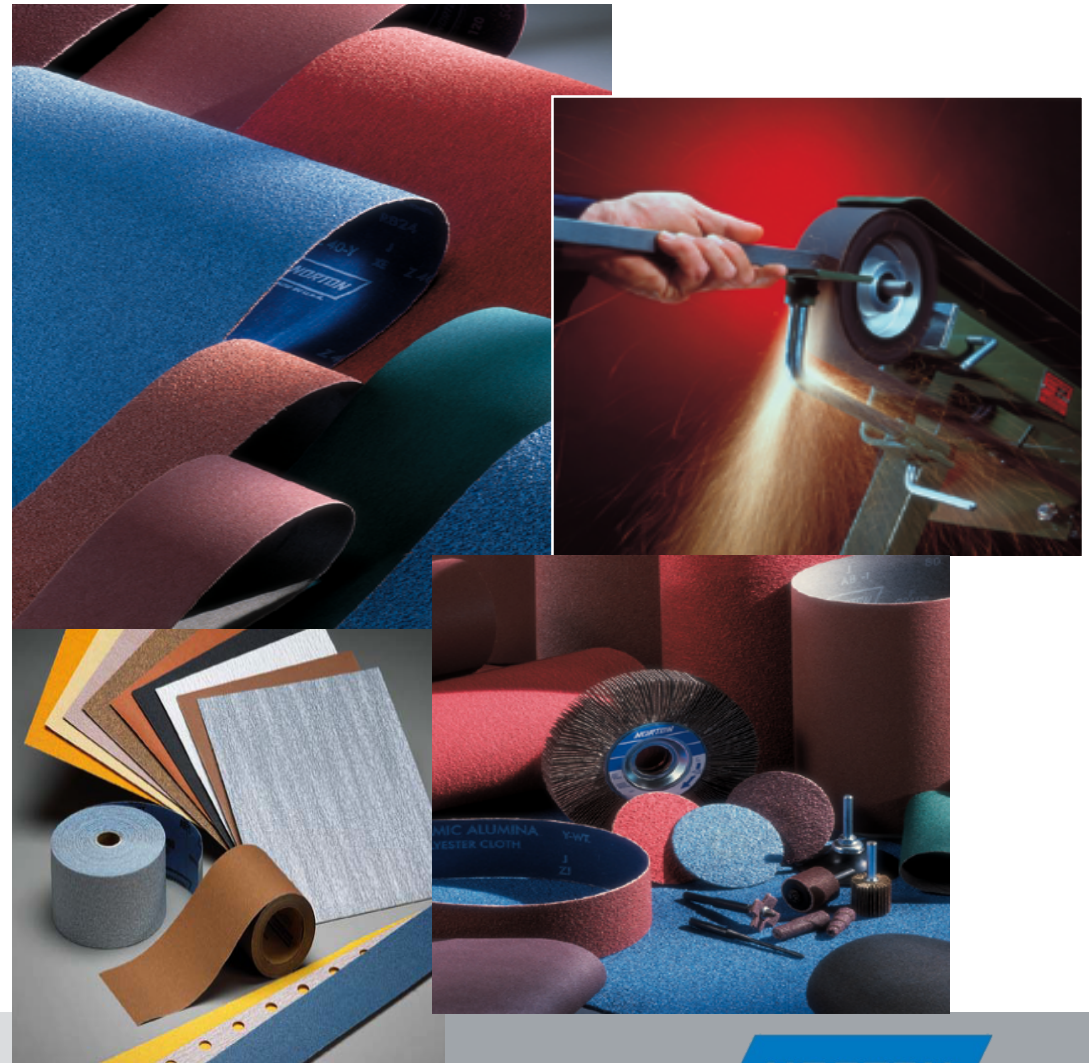
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# Saint-Gobain Abrasives - Overview

- Coated Abrasives

- **Natural or synthetic abrasive grains adhered to paper, cloth, fiber or synthetic backing**
- **Different shapes:**
  - Belts
  - Rolls
  - Discs
  - Sheets



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# Saint-Gobain Abrasives - Overview

- Superabrasives
- **Diamond or Cubic Boron Nitride abrasives shaped as wheels or tools**

**Industrial:  
Diamond and  
CBN**



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# Saint-Gobain Abrasives - Overview

- Construction Products
- **Diamond or Cubic Boron Nitride abrasives shaped as wheels or tools**
- **Equipment and saws used in construction activities**



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# Saint-Gobain Abrasives

• Industrial Market

- Aerospace
- Automotive
- Bearing
- Metal Fab, Mold and
- Metal and Repair Operations
- Foundry, Primary Metals
- Cutting Tools
- Electronics
- Medical



# Saint-Gobain Abrasives

• DIY – Do It Yourself

- Hardware
- Paint
- Floor Sanding
- Tools
- Woodworking



•CANADA



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# Saint-Gobain Abrasives

- Automotive Aftermarket

- PBE market – paint, body and equipment
- Auto painting
- Collision repair
- Car finish maintenance



P.B.E. Warehouse, Inc.  
The Jobber's Connection to the Future

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# Saint-Gobain Abrasives

- Construction Products

- **Equipment rentals**
- **Construction companies**
- **Road construction and maintenance**

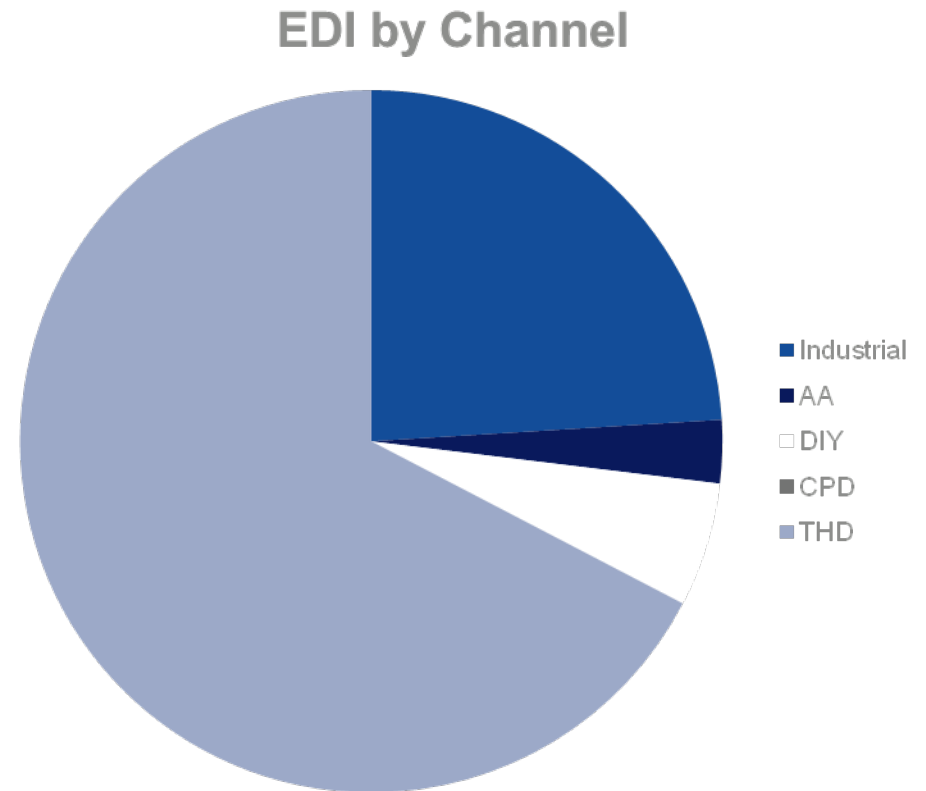
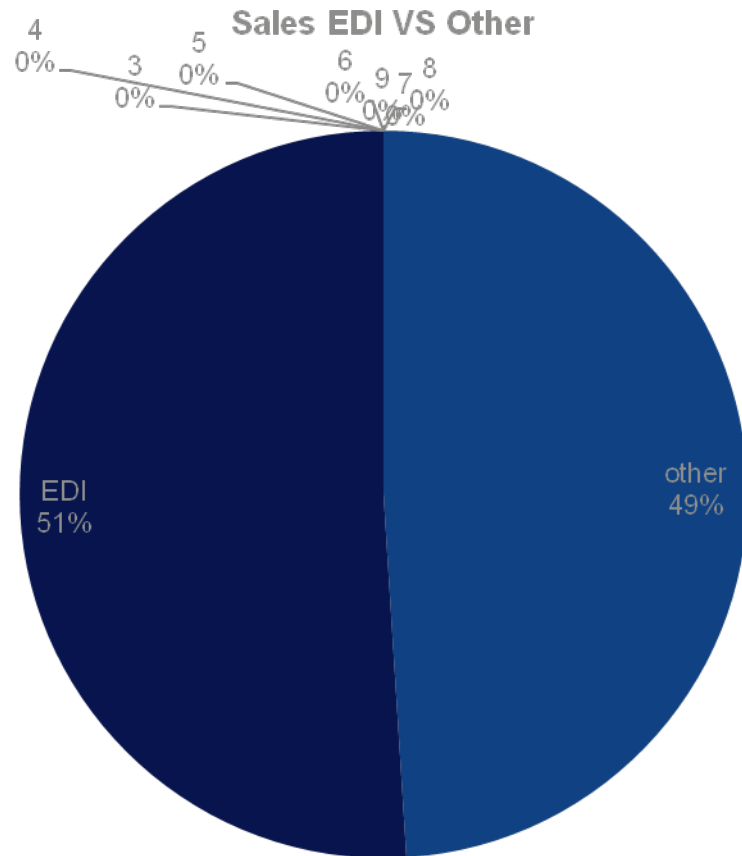


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# Saint-Gobain Abrasives

- EDI Overview – Order lines



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# Business Situation Assessment

- **Existing EDI infrastructure inadequate**
- **Highly skilled technician – only resource**
  - **High use of COBOL programs to manage load**
    - 400+ COBOL programs were in use
- **Very high risk to business**

# Evaluation / Analysis

- **Compared 5 year cost to eliminate risk**
  - **Using in house resources**
    - Hire 2<sup>nd</sup> EDI expert
      - Re-write to best practice
        - One map per trading partner per transaction type
    - Create hot backup site for disaster recovery
  - **Using Managed Services**
    - 3 Year Contract with Service Provider to do same.



# ROI Analysis

- **The Comparisons showed:**
  - **In house cost exceeded Managed Services**
  - **Expected greater than 30% savings over 10 years**
  - **Tough Sell to Management**

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# Vendor Selection

- **RFP and evaluation of:**
  - **GXS**
  - **Sterling Commerce**
  - **INOVIS (now part of GXS)**

# Saint-Gobain Abrasive's Choice

- **Sterling Commerce selected**
  - A valued Supplier of Services to Saint-Gobain companies for many years
  - Provided the infrastructure and support structure needed
  - Good value for all involved – including VAN charges
- **Contract Negotiated and Signed by Saint-Gobain Corporation (the North American parent company)**
  - SGA initially was not ready to spend funds due to the financial crisis
  - RA was finally signed in December 2009

# Managed Services Project

- **Kick off meeting held in January of 2010.**
- **Two days of detailed discussions on current environment, project structure, approach.**
- **Sterling contracted with Infosys for COBOL Analysis – 3 people -1 on site.**
- **Team of three SGA employees and three Sterling employees provided main project support**

# Hardware Set up

- **Test environment**
  - **Set up Connect-Direct – A direct connection between Sterling and Saint-Gobain**
    - Connected Sterling in Dublin Ohio to Saint-Gobain, Paris
    - Required scripting for file movement and process
- **Production environment between same**
  - **A separate Connect-Direct connection**
- **Also redirected 5 AS2s and 12 FTP sites**
  - **Sterling handled the move and set up**

# Project Details

- **Phased Approach**
  - 1<sup>st</sup> phase – small customers
  - 2<sup>nd</sup> phase – medium customers
  - 3<sup>rd</sup> phase – Home Depot
- **Trading Partners – 160+**
- **Covered 14 different EDI transactions – plus flat-file**
  - 810, 812, 816, 820, 824, 830, 850, 852, 855, 856, 864, 867, 870, 997
- **422+ maps developed, tested, and moved to production**

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# Project Tools

- **High Level Planning using Microsoft Project**
- **Daily / Weekly Meetings**
- **Periodic Steering Committee meetings**

# Project Tools



## Project Status Meeting



Wednesday 17<sup>th</sup> February, 2010 9-10AM Eastern

Dial-in Number: (800) 625-4491 Access Code : 620-1357 #

### 1. AGENDA:

#	Topic	
1	<ul style="list-style-type: none"><li>- Project Updates(Dennis, Winston)<ul style="list-style-type: none"><li>o Connectivity – Direct Partners.</li><li>o Connectivity (VPN setup questionnaire)</li><li>o Infosys VPN Token Connector</li><li>o Discovery Progress/Issues</li></ul></li></ul>	<p><b>SCHEDULE :</b> SaintGobain_Hosted _EDI_Draft_v0.6_16Fe</p> <p><b>TRACKER :</b> SGA-Sterling Tracking_V1.0.xlsx</p>
2	<p><b>STATUS :</b></p> <ul style="list-style-type: none"><li>- Actions Review</li><li>- Data Collection<ul style="list-style-type: none"><li>o Mapping – Map, spec(Cobol, regular), Layout &amp; test data</li><li>o TP information</li></ul></li></ul>	
3	Other Open Items/Questions	





# Project Performance

- **1st Phase – Success - 42 TPs 100 maps**
  - Delayed two weeks - Live May 17, 2010
- **2<sup>nd</sup> Phase – Success – 90 TPs 259 maps**
  - Delayed two weeks –Live Sep. 2, 2010
- **3<sup>rd</sup> Phase - Success - 18 TPs 24 maps**
  - Delayed three weeks – Live Sep. 14, 2010
- **Final Phase Project – 7 TPs 39 maps**
  - Completed – October 6, 2010

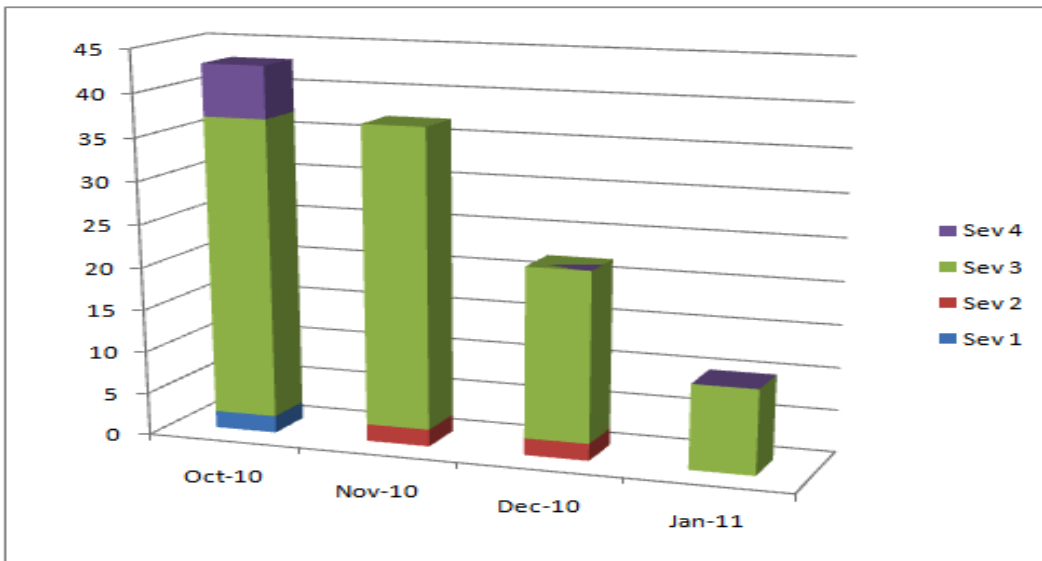
# Project Benefits

- **Disaster Recovery Improved**
- **Data Visibility Improved**
- **Order Flow Improved**
- **One Map per Transaction per Partner**
- **Savings on Communications**
- **Sterling Resource's provide new bandwidth**
- **Removed single point of failure**

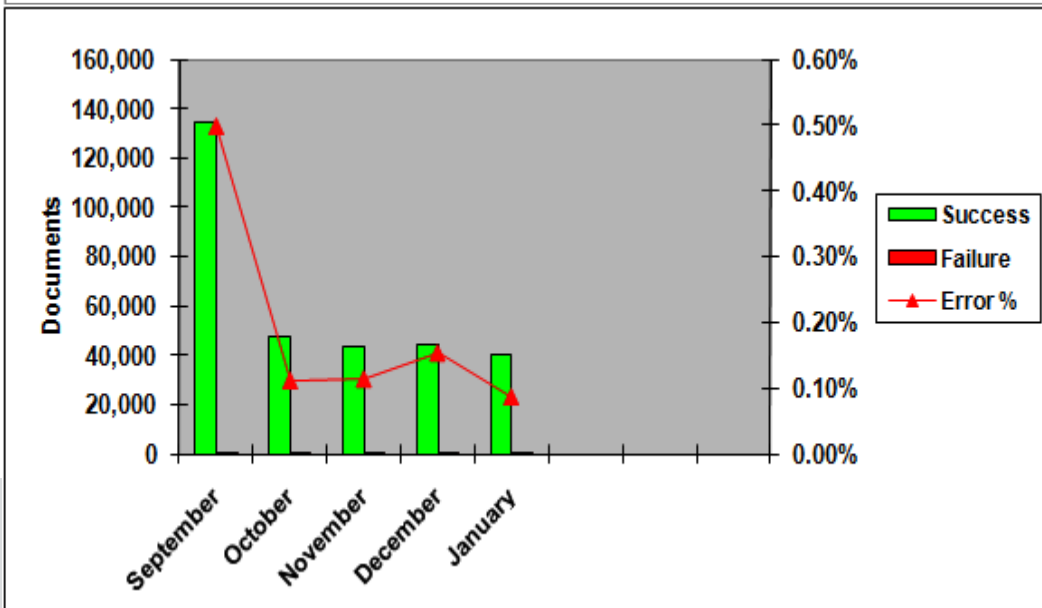
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# Key Performance Indicators



	Oct-10	Nov-10	Dec-10	Jan-11
Sev 1	2	0	0	0
Sev 2	0	2	2	0
Sev 3	35	35	20	10
Sev 4	6	0	0	0



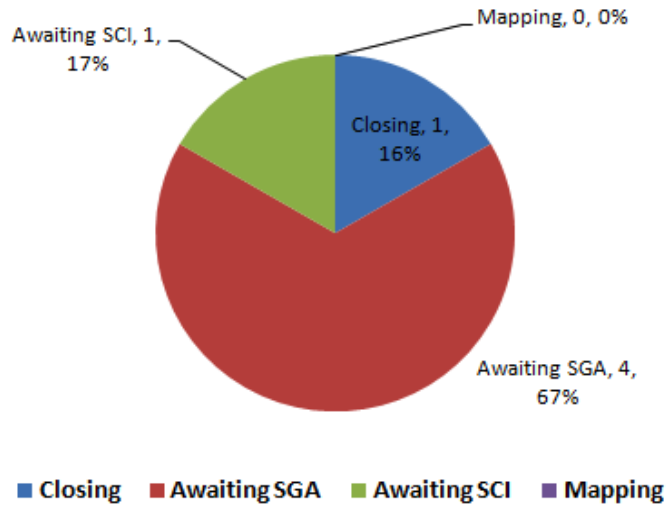
	Success	Failure	Error %
September	134,017	671	0.50%
October	47,676	53	0.11%
November	43,103	49	0.11%
December	44,330	68	0.15%
January	40,517	35	0.09%

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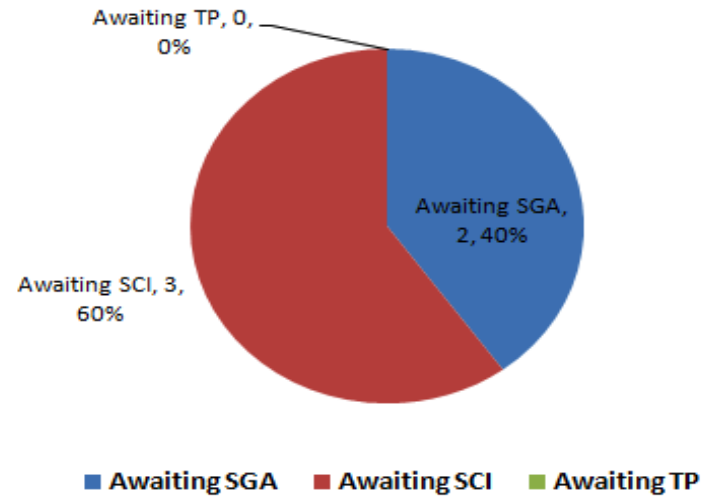
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# Key Performance Indicators

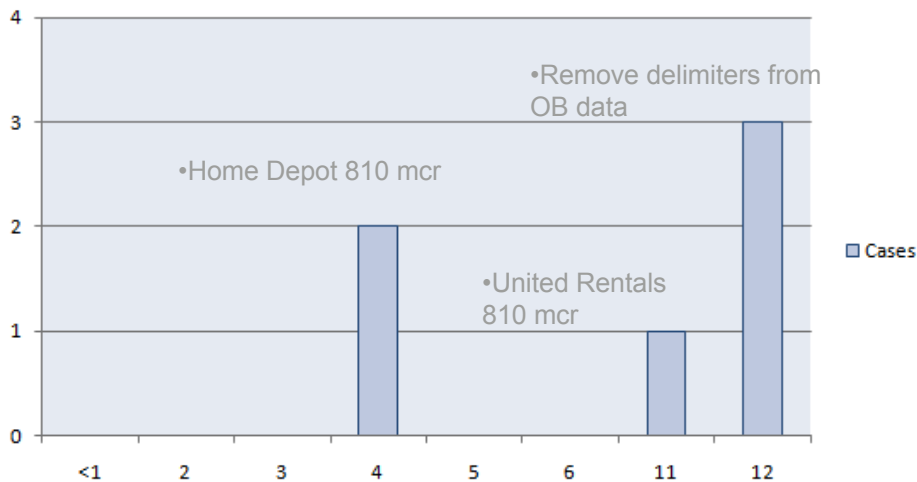
### Open Production Cases Status (6)



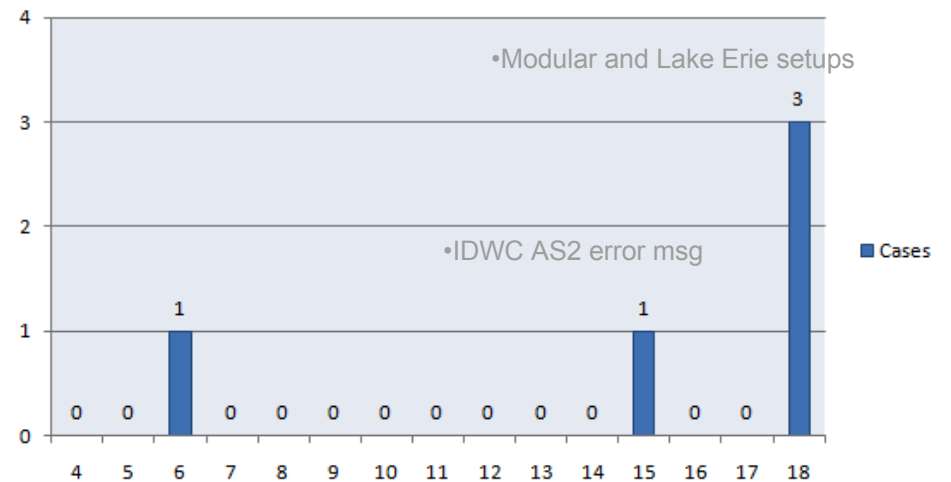
### Open New Request Case Status (5)



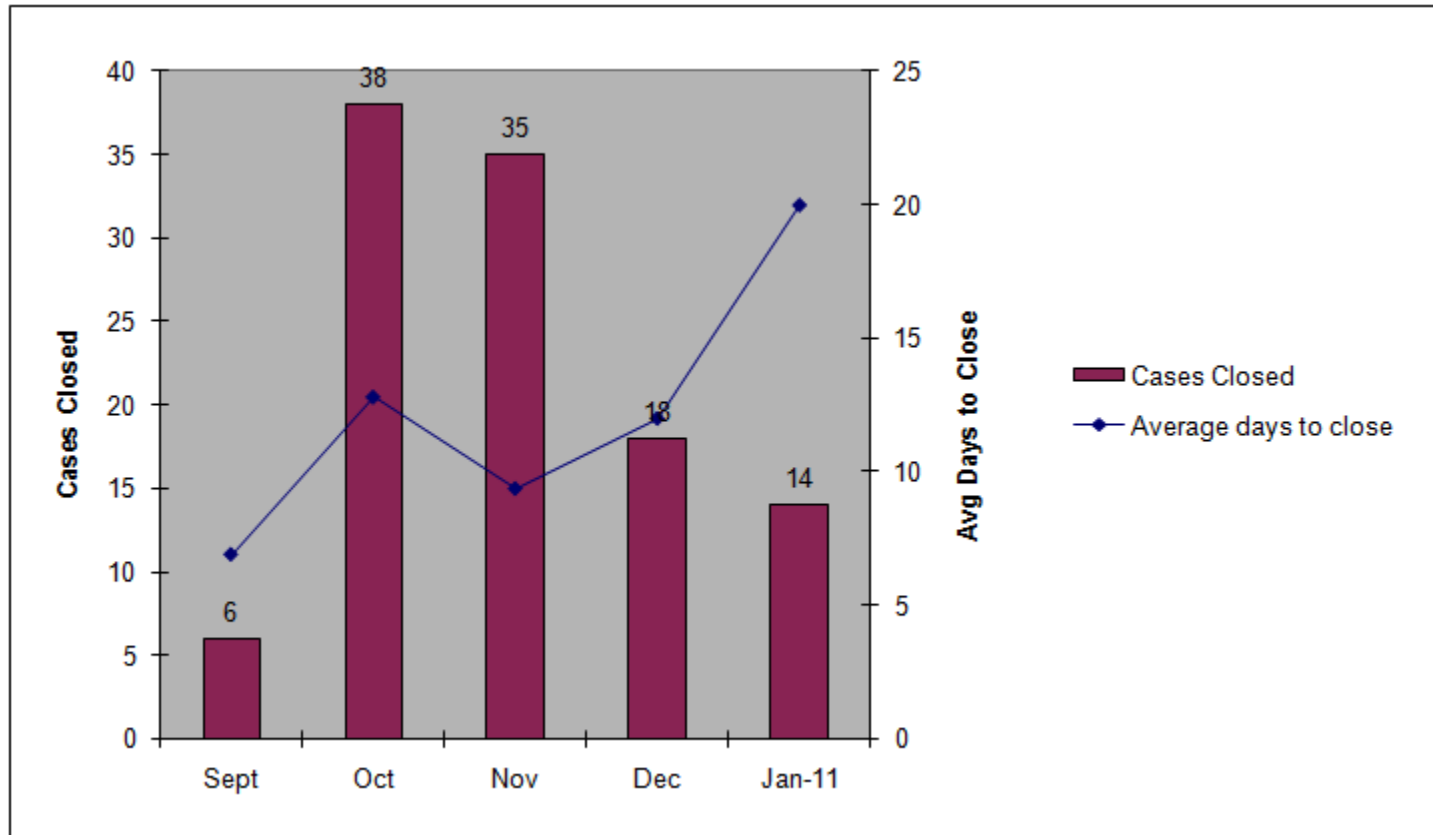
### Prod Case Aging



### Project Case Aging



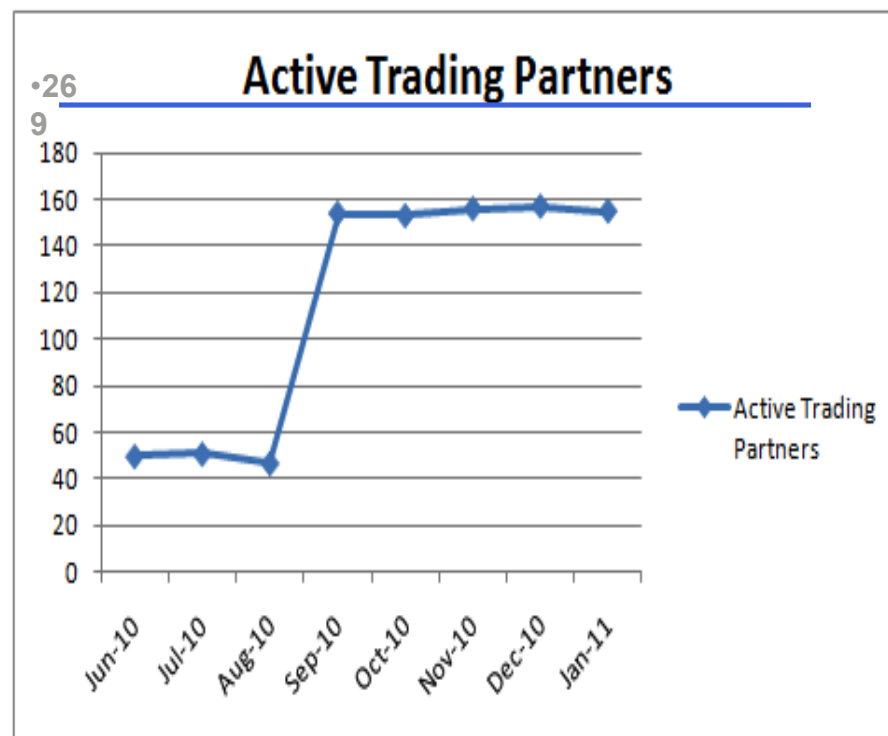
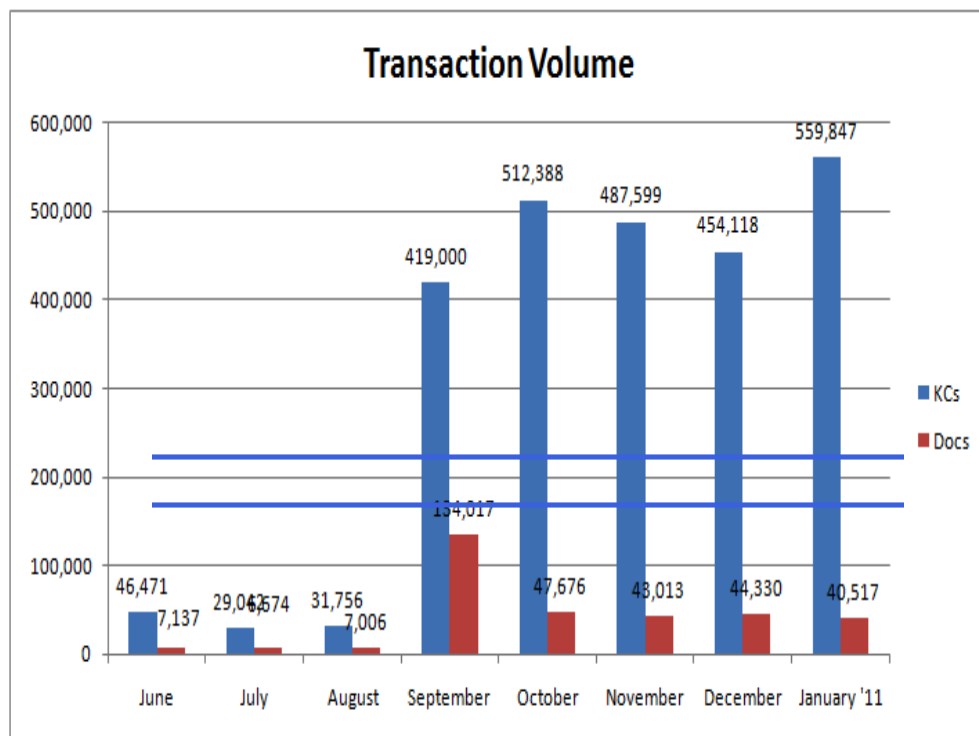
# Key Performance Indicators



**Production Case Mean time to resolution – currently 20 calendar days**

*Note: Case close date does not necessarily reflect date of initial resolution*

# Monthly Document Counts



	June	July	August	September	October	November	December	January '11
KCs	46,471	29,042	31,756	419,000	512,388	487,599	454,118	559,847
Docs	7,137	6,674	7,006	134,017	47,676	43,013	44,330	40,517

# Lessons Learned

- **Do the tough ones first**
- **Insure proper testing time**
- **Don't rush to completion just to make dates**

# Questions

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