



CASE STUDY: SIDERAR SAIC

Siderar SAIC is the largest steel company in Argentina with a production level of over two million tons per year. Siderar operates seven plants within the province of Buenos Aires. It is a fully-integrated producer that uses iron ore and coal as raw materials to produce coke, pig iron, and steel to manufacture hot and cold rolled sheet and coated products.

Siderar wanted to upgrade their in-house developed Computerized Maintenance Management System (CMMS), consider the use of SAP-R/3 or implement another CMMS system-CMMS throughout its seven plants. They also wanted to improve corporate-wide maintenance best practices, have a system in place to measure results, and ensure that the functionality of a new CMMS would fully support their maintenance improvement efforts.

Siderar SAIC needed a review of their total maintenance operation at all seven plants and to define recommended best practices and functional requirements for a world-class CMMS.

Working with the Siderar team, a solution was developed that included a *Scoreboard for Facilities Management Excellence* assessment and specific recommendations for improvements at all plants, the definition of functional requirements for a future CMMS, and a recommended performance measurement process.

Results over the course of the project include:

- Developed functional requirements for a corporate-wide CMMS
 - Established method to evaluate vendors and developed short list
 - Evaluated SAP-R/3 plant maintenance and procurement module and ROI
 - Evaluated CMMS and ROI as the option to SAP's Plant Maintenance module
- Established a recommended Siderar CMMS strategy
 - Recommended CMMS vendor: CMMS
 - Established CMMS implementation plan and a Siderar *CMMS Benchmarking System* to measure progress
- Conducted benchmark assessment at the seven Siderar plants
 - Developed a *Scoreboard for Facilities Management Excellence* rating for each
 - Defined specific improvement opportunities of over \$4 million



- Developed improvement to existing planning and scheduling process
 - Introduced work measurement techniques
 - Developed measurement of planning effectiveness
- Defined improved preventive/predictive maintenance (PM/PdM) opportunities
 - Revised and upgraded PM/PdM procedures
 - Increased compliance to PM/PdM schedules
- Defined need for improved storeroom and shop operations
 - Developed need for strategic storeroom master planning
 - Implemented new storeroom procedures
 - Improved inventory control and accuracy
- Developed a corporate-wide performance measurement process
 - Established performance goal for each metric
 - Documented the process with written standard procedures
 - Established the Siderar *Facilities Management Excellence Index* (TMEII)

Siderar SAIC was able to develop the best approach to CMMS and achieve their corporate-wide maintenance goals with a method to measure results.

Key outcomes included:

- Best practices with potential savings of over \$4 million identified for implementation
- A corporate-wide CMMS strategy developed to integrate a best-of-breed CMMS with SAP-R/3 financials
- Siderar *CMMS Benchmarking System* in place to measure CMMS implementation progress
- An overall maintenance excellence strategy with strategic, tactical and operational actions established as a result of the total maintenance operations assessment
- Maintenance performance measurement process established
- A world-class CMMS and standard best practices in place for implementation at all seven plants
- A method for greater accountability and productivity of all craft labor and material resources
- A Siderar Scoreboard for Facilities Management Excellence established to periodically evaluate overall maintenance excellence progress at each of the seven plants