

Steel company Ortiz y Cia rolls out quality assurance with SAP, IBM and Linux.



Overview

■ The Challenge

Replace aging, unreliable systems; find a solution that would handle both production requirements and management reporting Budget

■ The Solution

Industry: Industrial Manufacture

Application: SAP® R/3®

Software: SUSE Linux

Hardware:

IBM®server® xSeries™

Services: IBM Global Services

■ The Benefits

Complete integration of management and production systems; reduced time-to-market; scalability needed to tackle growth; excellent management data; simplified implementation and support

Ortiz y Cia SA is one of the finest specialist steel companies in Argentina. Based in the Province of Cordoba and employing 100 people, Ortiz y Cia produces very high quality rolled and welded steel tubing and bars for the Argentine market, and has recently started exporting successfully to few south Americans countries.

Information in chains.

The IT infrastructure at Ortiz y Cia had grown piece by piece, and, with the success of the new export business, the company had arrived at the point where it was crucial to integrate their management and production systems. The old systems had been tailor-made, and were now limiting expansion and compromising functionality.

For example, Ortiz y Cia was not able to generate or access production reports online. The system required a daily restart, and stock levels could only be updated following a day's complete production. Members of staff were occupied on tasks that were ripe for automation.

Dario Farias, Network Administrator and Project Manager, adds, "Ortiz y Cia wanted an integrated solution that would cut costs, improve production and management processes, and in addition would enable us to qualify for ISO 9002 status."

Structural solution: Linux.

Looking for the best combination of price, performance and functionality, Ortiz y Cia selected SAP industry solutions on IBM®server® xSeries systems running Linux.

Dario Farias explains the benefits of the SAP system: "SAP has made available an enormous amount of business-friendly information that helps us better serve our clients. We are now able to trace each single product, throughout its production line, to the exact type or combination of raw material used. ISO 9002 standards require that we identify the material used in the production of each specific product and we could not do this with our previous system. SAP and IBM allowed us to do this with a cost-effective solution."

Ortiz y Cia tracks material from raw steel to finished product, generating cost savings such as faster stock turn and reduced storage space. Finished goods are now immediately available for sale to customers.

"As our products come out of production, they appear on our inventory and thus are ready to be sold. Before, it would have taken an extra day or two," says Dario Farias. "The SAP solution has had a direct impact on our productivity and financial success."

Welding production to management.

Ortiz y Cia selected SAP because of the integrated industry solution on offer, which included both production and management reporting. The previous system required a great deal of manual intervention, and Dario Farias was keen to automate as many tasks as possible by ensuring all data was stored and managed from a single solution.

"We felt that SAP was able to understand the challenge that we faced and provide a good solution at the right cost. Before, we held separate databases on separate systems, and information had to be cross-checked. It was a time-consuming process, which is now done automatically and immediately, thanks to SAP's overall integration and collaboration across business networks."

Looking at IBM for the answer.

When seeking a replacement solution, Ortiz y Cia looked for companies that had faced comparable challenges, and looked for evidence that SAP was able to provide the answers.

"We were shown application stories where other businesses had faced similar problems to ours and the solutions were very positive. This was very important in our decision, and the financial advantages of choosing IBM were considerable. IBM is almost the global 'standard,' and their products, in addition to giving total peace of mind, are excellent value for money," says Dario Farias.

Steely resilience with IBM and Linux.

Ortiz y Cia chose a combination certified by SAP and SUSE Linux platform for its SAP applications. This Linux combination has significant cost advantages, as Dario Farias explains: "We already used Linux and thus knew of its great stability. SAP, combined with IBM and Linux offered the best deal in terms of price and performance."

"The surprise was that the advantage in terms of total cost of ownership with this solution was substantial. We also had a quote from other vendors offering proprietary systems, and the IBM SAP and Linux package was remarkably better priced. The licensing and updating costs were far lower than those of the competition."

Working with IBM.

Dario Farias is full of praise for the IBM implementation team, too. "Implementation was excellent! The only thing we had to adapt was to increase the total memory of the servers. The SAP solution has brought us reliability, and gives management peace of mind that scalability will never pose any problems in the future."

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Dario Farias
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