



Largest Steel Producer in Australia Implements Newview for Inter-Enterprise Commerce

BHP Steel's Customer Network: BHP Steel's value chain is a complex multi-tier network comprised of in-house sales, distributors and large and small buyers. There are more than 7,000 customers in 50 countries throughout Australia, New Zealand and Asia.

BHP Steel's Business Challenge

In both Australia and New Zealand, BHP Steel occupies strong market leadership positions. In Asia, BHP Steel occupies niche positions with a range of branded coated steels and roll formed products.

The primary driver for BHP Steel's expeditious drive to extend its e-commerce capability has been the dynamics of the Australian steel market, which have changed significantly in recent years. Increased requirements and demands from customers, including the provision of more customized market offers, coupled with increased competition from imports and other materials were challenges to BHP Steel's ability to remain the market leader. These factors caused BHP Steel to rethink its e-commerce strategy.

Within such an environment, BHP Steel's management knew that the business would have to strive harder to deliver improved value for its customer base. E-commerce was seen as an excellent way to augment BHP's value proposition as a method of retaining a leading market position.

Although events in Australia were the primary driver for the new e-commerce strategy, BHP Steel's footprint in Asia also has become more important. E-commerce is seen as an additional opportunity for BHP Steel to differentiate itself by being a market leader and innovator in these markets. This strategy would also augment BHP's corporate and product portfolio brand positioning in these markets.

BHP Steel's strategic imperative was to consolidate its strong market position through enhancing its value proposition via e-commerce.

BHP Steel was one of the first steel manufacturers in the world to offer significant web-based services to their customers. Over the past two years, the company developed a range of Internet applications that provided order management services to their customers. Yet, management felt this initial step was not sufficient to sustain a distinct, long-term competitive advantage.

Extracting Value from Existing Applications

BHP's private-labeled business network has the capability to accommodate transactions for BHP Steel's entire portfolio of steel products, integrating existing BHP Steel systems and additional Newview inter-enterprise applications.

Newview's solution features a single, integrated, hosted application that crosses the boundaries of enterprise and provides all participants of the supply chain with a secure, web-based system. Participants gain self-service, real-time data access and end-to-end visibility of the status of any business activity - anytime, from anywhere, with no costly IT requirements.

BHP Steel manufactures flat steel products and serves customers in the building and construction, automotive, and manufacturing industries. The company is the largest steel producer in Australia and the 19th largest worldwide, with sales of more than U.S. \$3.9 billion (A\$7.4 billion). BHP Steel operates manufacturing plants and in-market processing and distribution centers throughout Australia, New Zealand and Asia.

"We've made it faster and easier for our customers to do business with us. By increasing our ability to transact with customers over the web, we've placed BHP at the forefront of e-business capability in the steel industry.

Our partner Newview has successfully demonstrated its ability to deliver an enhanced and extended platform that combines existing and new applications – and features an increased level of flexibility."

*- Kirby Adams
CEO, BHP Steel*

