

“The GXS platform has had an immediate impact on our supply chain operating efficiency. We automate the management of inventory with our automotive customers. Originally, it took two days to process, now it has been reduced to two hours. We can achieve this because we can integrate every segment of the supply chain through the new B2B platform.”

— JOHN CHANG

PRESIDENT, BSTEEL ONLINE CO. LTD.



Bsteel Establishes Global IT Integration Platform

GXS Enterprise Gateway and Trading GridSM Messaging Service Solutions Provide a Unified Platform for Integrating Internal Business Units, Customers and Suppliers Across the World.

Corporate Profile

Leading Chinese Steel Manufacturer

Bsteel is the IT business unit of Shanghai based Baosteel Group and they are responsible for deploying and managing Baosteel's global B2B e-commerce strategies. Baosteel is the largest iron and steel producer in China and ranks 296 in the 2006 Global 'Fortune 500' companies.

The Baosteel group has nearly 93,000 employees across 22 wholly owned subsidiaries, 14 holding companies and 24 equity-sharing companies. It has operations in construction, finance, IT, international trade, real estate and transportation. Baosteel Group produced nearly 20 million tons of steel in 2005 resulting in revenues of \$21 billion and its net profit grew 34% to \$1.4 billion. This increase in revenue is partly due to the increasing number of foreign car manufacturers establishing a presence in the Greater China Region.

The Business Challenge

Establish an Integrated Global Business Platform

Baosteel Group has a number of diverse business units operating across China and many different countries around the world. Due to increased competitive pressure and in order to reduce costs and rationalise their IT infrastructure they established the 'Centralisation & Internationalisation Transforming Strategy'. This strategy will be used to support data gathering, translation and integration into their forecast to payment supply chain execution process. The infrastructure used to manage this strategy is called the 'Unified Enterprise Collaboration Platform' (UECP).

Baosteel's customers and suppliers around the world have very different business requirements, they operate different business models, different e-commerce standards and even their EDI standards are implemented in a different way. Baosteel's challenge was to try to provide an IT infrastructure that would allow all their business units, customers and suppliers to work seamlessly on one integrated trading platform.

The Solution

Enterprise Gateway and Trading Grid Messaging Service Solutions

The platform proposed for UECP is based on GXS Enterprise Gateway and Trading Grid Messaging Service solutions. GXS Enterprise Gateway products are behind the firewall

software applications that connect systems together so they can exchange information without human intervention. Enterprise Gateway gathers internal information and shares it with Baosteel's external business partners. As a result, data from manufacturing, transportation, warehouse, accounting and operations systems can be aggregated and easily exchanged with their customers, suppliers, financial institutions or logistics providers. Enterprise Gateway provides seamless integration with enterprise applications from Oracle, SAP and Microsoft. Featuring a high performance translator, Enterprise Gateway allows Baosteel to rapidly map data from any source to any destination, perform high speed EDI/XML translations, enhance productivity, and improve the responsiveness of its many business units. The Enterprise Gateway solution allows Baosteel's global customers such as Ford Europe and GM to link directly with Baosteel's internal ERP application, SAP, as well as other internal applications such as Capacity Planning through IBM MQ Series gateway.

GXS Trading Grid Messaging Service enables Baosteel to link with trading partners throughout the world and to exchange business documents in an easy, fast, secure and reliable fashion. It shields the communication complexity and provides visibility and process controls. Baosteel can monitor their order, logistics, inventory and payment activities across their value chain. Trading Grid Messaging Service detects critical supply chain signals such as shipment or manufacturing delays and demand signals including sudden increases in sales or potential stock shortages. Track and trace capabilities enable Baosteel to determine whether an order has been acknowledged, shipped, received, invoiced or paid. Inventory monitoring services detect out of stock situations then provide updated details on goods in transit or on-order. GXS Trading Grid Messaging Service solutions have allowed Baosteel to optimise their inventory levels and receive real-time status information.

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The Results

Reduced Costs, Seamless IT Infrastructure, Improved Competitiveness

The new UECP Integration platform has allowed Baosteel to establish a number of new key OEM partnerships around the world plus many large automotive Tier 1 customers based in the Greater China Region. The platform has allowed Baosteel to significantly grow the number of online transactions, both internally and externally which has improved operational efficiencies across their extended enterprise. GXS Enterprise Gateway and Trading Grid Messaging Service solutions have helped to improve the competitive position of Baosteel in an increasingly tough economic environment.



About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration, synchronization and collaboration among trading partners. Organizations worldwide, including 75 percent of the Fortune 500, leverage the GXS's Trading Grid™ to extend supply networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. With an unmatched global presence, proven trading partner management and B2B outsourcing services, GXS's on-demand solutions maximize the benefits of integration for businesses. Based in Gaithersburg, MD, GXS's extensive global network serves customers throughout the Americas, Europe, the Middle East and Africa and Asia Pacific regions. GXS can be found on the Web at www.gxs.com.