SAP Business Transformation Study | Mining | Mitsui Coal Holdings

How Are Better Data and Analytics Helping a Major Coal Company Make Good Investments in Uncertain Times?

Despite rising demand for clean, renewable energy, coal continues to be a key source of energy worldwide. As one of the largest corporate conglomerates in Japan, Mitsui & Co. counts on its Australian investment subsidiary, Mitsui Coal Holdings (MCH), to manage its investments portfolio in the Australian coal market. With interests in mining operations and exploration projects across Queensland and New South Wales, MCH oversees the output of roughly 40 million tons of coal each year. Yet its finance team was bound by outdated software and labor-intensive processes that limited the investment analysis.

Working with PwC, MCH deployed SAP S/4HANA® and the SAP® Business Planning and Consolidation application hosted in the cloud using Amazon Web Services and applying a partner managed cloud approach. The SAP solution has provided a single source of truth and real-time insights. Now data is clear, correct, reliable, and simple to access and consume, resulting in better decision-making and smarter investments – helping ensure strong returns for Mitsui & Co. shareholders.

Picture Credit | Mitsui Coal Holdings, Brisbane, Australia. Used with permission.

“Coal is key to economic development around the world, but there are many new players in the energy market. To keep pace, we need cutting-edge technology at the heart of everything we do. With our data managed in the cloud, we are driving real digital transformation.”

Craig Howard, GM Finance, Mitsui Coal Holdings Pty Ltd.

The core business at Mitsui Coal Holdings (MCH) is to manage the large coal mining asset portfolio in which Mitsui & Co. invests – giving it a strong competitive advantage. But poor user experience and limited analytics and planning capabilities of its legacy finance system were a constraint. With SAP S/4HANA®, MCH now has a world-class financial management solution in the cloud, which provides real-time analytics and has helped to eliminate data consolidation costs and errors.

4th-largest

Exporter of natural resources in Australia

40 million*

Tons of coal produced each year

US$6.5 billion*

Worth of coal exports each year

*On a 100% equity basis

Predicting ROI for Long-Term Coal Projects with SAP S/4HANA®

Mitsui Coal Holdings Pty Ltd., an investment subsidiary of Mitsui & Co. Ltd.
Brisbane, Australia
www.mitsui.com/au/en/group/1216673_9223.html

Industry
Mining

Products and Services
Exploration and development of coal mines in Australia and consulting services for mine operators

Employees
21

Revenue
A$1 billion (US$783.8 million)

SAP® Solutions
SAP S/4HANA®, SAP® Business Planning and Consolidation application, and SAP Activate methodology

Mitsui Coal Holdings must make strong coal investments for Mitsui & Co. With SAP S/4HANA hosted in the cloud by Amazon Web Services (AWS), it has the insight it needs to make the right decisions.

Before: Challenges and Opportunities
- Outdated finance system that constrained the business with poor data quality, lack of control, inability to scale, and time-consuming processes
- Limited capture of joint venture data in the system and a heavy reliance on spreadsheets for planning, forecasting, and reporting, resulting in silos between business and finance, slow and questionable analysis, and limited transparency and insight

Why SAP and PwC
- SAP S/4HANA and SAP Business Planning and Consolidation, providing a technology platform to enable the business to grow and navigate through uncertain times
- PwC’s expertise in consulting services, SAP software, cloud transformation, finance transformation, and the mining business, as well as its clear understanding of Mitsui's specific challenges and needs
- PWC partner managed cloud with SAP deployed on AWS cloud hosting and ongoing support from PwC outsourcing services offered as a single package
- SAP Activate methodology for speed and efficiency, resulting in project delivery in just 14 weeks

After: Value-Driven Results
- Greater insight into joint venture operations and investment operations enabled by accurate data and more granular and reliable reporting and analysis
- Shift in focus from data compilation to real-time analytics, enabled by a single source of truth and highly automated and standardized processes that allowed Mitsui to better manage its investment portfolio

“These are uncertain times in the coal sector. SAP S/4HANA helps us differentiate from the competition and stay ahead.”

Craig Howard, GM Finance, Mitsui Coal Holdings Pty Ltd.

Featured Partner

pwc

30 minutes

To process and sort end-of-month mining data, down from 2 days

10%

Reduction in finance headcount, with more time to focus on strategic tasks

80%

Of time in finance now spent on business strategy and data analysis instead of transactional operations

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