

CASE STUDY

Large coal mine consolidated processes in just 6 months to see increased agility, integration & visibility



Customer:

One of the World's Largest Coal Mines

Industry:

Utilities & Energy

Location:

Colombia

Latin America's largest open-pit coal mine has multiple stakeholders, plus multiple operations, including a coalmine, a railroad and a seaport, not to mention local regulation to meet. Profiting from the commercialization of coal is a complex operation for Cerrejón.

Bizagi was chosen to orchestrate and control the massive transactional volumes taking place between the mine's commercial offices, logistics and finance operations. Today, customers can expect a seamless sales experience - from the moment they place an order to its receipt.

Reduction of invoicing cycle
Consolidation of information and processes

"The solution that we implemented is a system in its maximum expression, where the people, the technology and other aspects are integrated, such as: legislation, companies, legal vehicles, currencies among others. Bizagi coordinates and orchestrates all these players and concepts from when the client orders the coal until it is received."

Joaquín Uribe, Productivity and Technology Manager

Objectives

- 🎯 Increase the ability and control of the coal sales process
- 🎯 Integrate all areas involved: sales, foreign trade, logistics and finance
- 🎯 Provide robust support for the conciliation of payments and collections
- 🎯 Streamline workflows across geographies and stakeholders at multiple levels
- 🎯 Embed secure electronic handling for sensitive commercial data

Achievements

- ✅ Increase in business process agility, integration and visibility
- ✅ Reduction of the invoicing cycle
- ✅ Greater consolidation of information and processes
- ✅ Reduction in errors across large volumes of annual sales information
- ✅ Lower risk of non-compliance through electronic document handling
- ✅ Decision makers kept informed via easy to use reporting interface

Overview

Cerrejón is the largest open-pit coal-export mining operations in the world with over three decades in the business. The company is an important factor in the Colombian economy and the driving power of La Guajira. For coal sales, Cerrejón relies on two commercialization offices located in Dublin (Ireland) and Atlanta (United States).

Challenge

Cerrejón's entire operation is integrated: a thermal coalmine, a railroad of 150 kilometers and a seaport able to receive ships of up to 180 thousand tons of capacity. The coal sales registration process is complex, due to the geographical location of the different stakeholders and the sensibility of the information that is handled.

"We were looking to improve the coordination and orchestration between all these areas – commercialization offices (Dublin and Atlanta), Foreign Trade and Logistics (Colombia), Financial Accounting, Accounts Payable and Treasury – from the moment a client places an order until they receive it"

Joaquín Uribe, Productivity and Technology Manager

Solution

What Cerrejón needed was a Digital Process Automation tool, integrated to its ERP, that coordinated the management of all the transactions derived from the commercialization of the coal. It also needed to have robust support for the conciliation of payments and collections.

After an extensive evaluation of tools and an open bidding process, Bizagi was selected. With the On-Target methodology for project management, and with the support of the different areas involved, the work was done in Bogotá, Puerto Bolívar, Dublin and Atlanta. Bizagi integrated the information from

"The coal sales registration and control project was the first project at Cerrejon based on the BPM (Business Process Management) platform, aligned with the process management corporate strategy implemented in the company"

Joaquín Uribe, Productivity and Technology Manager

diverse sources, such as the ERP Ellipse, Minetrak (a system used in Puerto Bolívar to control the information of loading and boarding), and Aramis (an invoicing control system used in the commercialization offices).

The solution was implemented in just 6 months, reaching the production stage with all areas integrated, achieving visibility of the whole process, and with a centralized parameterization of the business conditions through the Business Rules Engine (BRE).

Results

Thanks to the implementation of Bizagi, Cerrejón successfully integrated its people and the sub-processes in the coal sales operation. There is now a complete automated sales cycle, from the mine to the client, with the assurance that the required information at each step is correct, and satisfies the current regulations. "At the moment the coal sales registration and control process, managed through this platform, tracks and controls the sale of 32 million tons of coal a year", Uribe explains. Due to this volume of annual sales, the benefit of having a consistent, error-free process gives Cerrejón a distinct competitive advantage.

Cerrejón can now guarantee it has all the necessary certificates in each shipment, according to the laws of the receiving countries with regards to specifications such as amount of coal, calorific power, humidity, and ash. The document handling of the characteristics of the coal is supported by Bizagi, grouping all the relevant documents for the process.

All the financial process reports can be accessed via a simple interface. The system sends alerts to inform the actors in the process which of the activities they own are close to expire. This brings additional support to the user in order to satisfy the time control that the law dictates for the presentation of documents, reducing the risk of non-compliance of the current norms.