

JP1 Case Study

Mitsui & Co. (U.S.A.), Inc.

JP1 Manages SAP R/3® Jobs for Mitsui's North America Operations

Incorporated in 1966, Mitsui & Co. (U.S.A.), Inc. is the largest wholly owned subsidiary of Mitsui & Co., Ltd., Japan, itself one of the largest Sogo Shosha (general trading companies) in the world. They have built upon their expertise in import/export and wholesale domestic trading businesses to become a worldwide provider of integrated trade facilitating services.

Either directly or through its many subsidiaries and affiliates, Mitsui USA is involved in most of the world's principal industries and is an initiator, organizer, developer and broker for global trading. The company's core business is strengthened by activities in other areas including business investment, project management, supply chain management, and logistics. Mitsui USA plays an important role in the American business community and prides itself on being consistently a net-exporter, contributing to the trade balance of the U.S.

Company Information

Mitsui & Co. (U.S.A.), Inc.

200 Park Avenue, New York City, NY 10166

Incorporated 1966

Annual revenue: \$8.7 billion (March 31, 2003)

11 Offices with approximately 450 employees

Over 90 subsidiaries & associated companies in various industries across the USA

Creating a Global View for International Trade

In the year 2000 Mitsui & Co, headquartered in Tokyo, Japan, began the implementation of a global IT strategy to take the company beyond the bounds of a traditional Sogo Shosha.

Recognizing the benefits of using the Internet to integrate their business operations, the aim was to provide comprehensive business engineering strengths using information, financial, and logistics technologies to become a creator of global business and add value for Mitsui's clients. To further this goal, Mitsui created a number of software application systems and globally adopted SAP R/3® to improve productivity and support the business transactions and logistics between their subsidiaries.

The Information & Communication Systems Department of Mitsui USA plays a key role in this global IT strategy, controlling SAP jobs among six Mitsui companies in North America.

The company headquarters in Tokyo regularly provides updated customer and product master data and developed global templates for the SAP R/3® systems to ensure a consistent view of the data. Mitsui USA handles the distribution of this information to subsidiaries and branch offices in the USA, Canada, and Mexico.

Reliability for Business Critical Operations

Because of the high volume of transactions and their critical nature to the business, reliability was a key issue for Mitsui. A system management product was needed that had a proven track record for managing SAP R/3® systems and which could handle the task of globally distributing the necessary information.

Hitachi's Job Management Partner 1 (JP1) software was selected to handle these and other critical aspects of Mitsui business.

"I never hear of any problems with JP1, while I often hear of trouble with software products from other vendors," says Mr. Toru Nakajima, Senior Vice President, Chief Information

Officer, and General Manager of the Information & Communication Systems Department for Mitsui USA. "We are very pleased with the high quality of the JP1 software."¹

Having experience with JP1 at Mitsui in Japan, Mr. Masahiro Nakahara, Director of the Information & Communication System Department for Mitsui USA, emphasizes the point: "From the beginning, we intended to use JP1 for our global business operations. So far JP1 products have been used for more than 20 Mitsui offices or subsidiaries in USA, Canada, Mexico, as well as Europe and Asia."²

"With so much of our business dependant on these systems it is essential that they operate efficiently and with a minimum of intervention." He concludes: "We are very happy with the quality of the product and also intend to use JP1 for our South American business operations in Brazil, Argentina, , Venezuela, Chile, Peru, etc."

Enhancing the Capabilities of SAP R/3®

Although the SAP R/3® forms the basis of the global infrastructure Mitsui developed several other systems, including the Global Master Management and Credit Management systems, all of which need to exchange information. This raised issues that SAP R/3® could not address, but for which JP1 provided solutions.

"We needed to be able to coordinate multiple jobs on SAP R/3® with those on other systems," explains Mr. Nakahara. "For example, most jobs can only proceed if the previous ones were successful, but that presents a problem if the jobs are on different systems. We didn't want to have our systems sitting idle to allow time for jobs to finish and we didn't want to have to write lots of scripts either. JP1 solves the issue and gives us an easy, graphical, way to specify relationships between all the jobs".

Mr. Nakahara continues: "For efficiency FTP is used to transfer data between headquarters in Tokyo and our subsidiaries, but it's unreliable and usually takes a lot of work to integrate into an automatic system. Again, JP1 provides us with the reliability and ease of integration we need to manage our global systems."

Support for Global Business

When companies rely on software applications to support their business, they in turn need to rely on their vendors to support their products.

"The systems management software needed to support the latest version of SAP R/3 in both English and Japanese" says Mr. Nakahara. "We also wanted support for UNIX as well as our current Microsoft Windows environments to provide options for us in the future. Local support in the U.S.A., Europe, and Japan was also a requirement."

"At the time SAP R/3 4.6B was released no other vendors had certified products," said Mr. Nakahara. "Hitachi had better information regarding 4.6B and compliance issues than other vendors and quickly provided us with an upgraded and certified version of JP1."

In addition to the technical requirements for the systems management software to support their systems Mitsui had additional criteria for the product and vendor selected.

"We needed a good product with a proven track record to manage our systems," says Mr. Nakahara. "JP1 is the de facto standard in Japan, and we know of Hitachi's expertise in this

¹ Nikkei Business Publications, Inc, rated JP1 the number one system management tool for customer satisfaction in Japan. Nikkei Computer, 12th December 1999.

² Other Mitsui & Co. subsidiaries and branches using Hitachi's JP1 include:

Asia: Singapore, Hong Kong, Taipei, Kuala Lumpur, Manila, Bangkok, and Seoul.

Oceania: Sydney (2 branches).

Europe: London, Düsseldorf, Milano, and Paris.

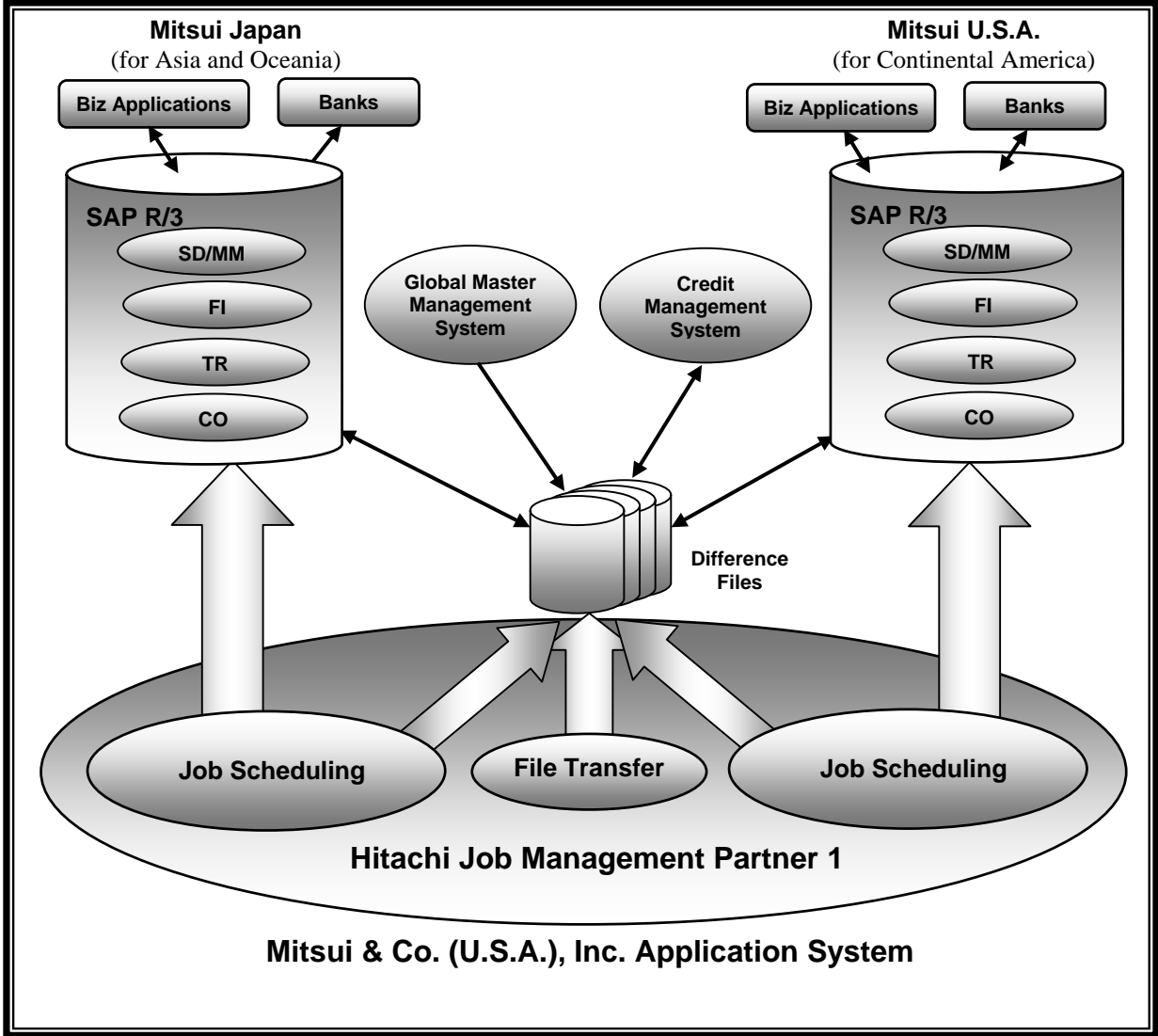
Americas: New York (plus 10 branches and two subsidiaries), Toronto (plus three branches), Mexico (plus one subsidiary), San Paulo (plus one branch).

area from their mainframe products. Hitachi also has a very good reputation for customer satisfaction, so we were confident in selecting them as a vendor.”¹

Mr. Nakahara concludes: “we are very confident with Hitachi and their support for SAP R/3”.

Business Systems Supported by JP1

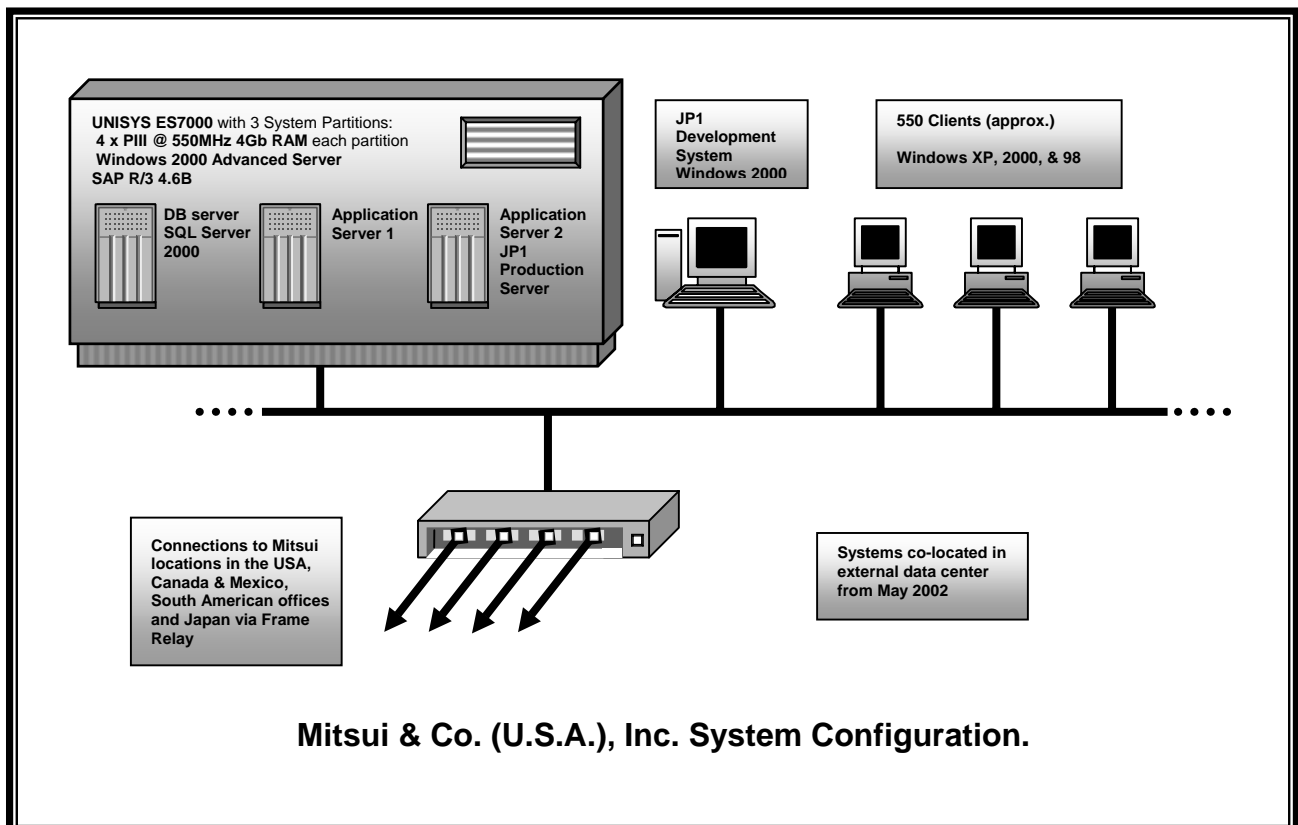
At Mitsui USA, JP1 supports SAP R/3 Job scheduling among six Mitsui subsidiaries in the USA, Mexico, and Canada and company headquarters in Tokyo, Japan. Jobs run on a daily, weekly, and monthly basis and include master customer file updates, remittance and receipt of payments, and depreciation of assets.



Typically Mitsui Japan generates differential files of the Global Master Management application systems each day to reflect changes to customer or product information. JP1 is used to schedule jobs that transfer the difference files from Tokyo to New York and apply the changes to SAP R/3. JP1 provides additional functions over the built-in R/3 scheduler including batch job scheduling, file transfer, event handling, and scripting capabilities.

Similarly, JP1 also schedules daily updates to Mitsui's Credit Management application, and is used to control other major batch jobs including:

- Allocation of departmental expenses.
- Calculation depreciation of assets.
- Sales data acquisition.
- Remittance and receipt of payment data.



Summary

In building a system based around SAP R/3 Mitsui has created an application infrastructure to implement their global IT strategy. By using JP1 to manage these systems, Mitsui can automate jobs, improve efficiency, and reduce costs. JP1's reliability gives Mitsui the confidence that their critical applications will support their business, both now and in the future.