



Shenhua Shendong Mine Group
Co., Ltd
Shendong Province, China
www.shendong.com.cn

Industry:

Natural Resources

Annual Revenue:

US\$1 billion

Employees:

20,000

Oracle Products & Services:

Hyperion Planning

Oracle Partner:

Beijing Noahark Consulting Co.,
Ltd
www.noahark.com.cn

“Mining is a time and labor-intensive industry that consumes a lot of resources. With Oracle’s Hyperion Planning, we can develop comprehensive budgets and track spending at every stage of the mining lifecycle. The system has helped us keep costs under control.” – Shuan Yang, Finance Manager, Shenhua Shendong Mine Group Co., Ltd

Shenhua Shendong Mine Group Cuts Budget Development Cycle from Three Months to Two Months

Shenhua Shendong Mine Group operates China’s largest coal mine, located in Shendong Province. It is a subsidiary of China Shenhua Energy Co., Ltd, China’s largest coal supplier. In 2008, the Shendong mines produced 117.8 million tons of coal, or about 63.4% of China Shenhua’s total commercial coal production.

Challenges

- Address inconsistencies in the input and output of budget statements across the group to address differences in the way individual branches, mines, teams, and offices completed yearly, quarterly, and monthly budgets
- Establish clear budget development guidelines that reflect mining processes, such as exploration and extraction
- Implement a system that combines financial and operational planning processes to improve budgeting accuracy
- Provide more detail on individual items on budget statements

Solution

- Engaged Oracle Gold Partner Noahark Consulting to install a multidimensional budgeting and analysis system based on Oracle’s Hyperion Planning and its budget controller solution
- Developed the budgeting system based on the core mining processes of exploration, extraction, treatment, transportation, and sales, ensuring these procedures can be accounted for when developing budgets
- Completed 2010 budgets on time for 71 business groups, including 17 mines, 11 production service units, 16 auxiliary service units, 8 logistics service units, and 19 executive offices
- Cut budget development time from three months to two months
- Enabled enterprisewide collaboration on budgets, rather than relying on just the finance department to complete the work
- Established clear connections between budget items in the total cost spreadsheet, enabling staff to determine the time and cost impacts of one item on the rest of the budget
- Provided senior managers with real-time insights into the budgeting process, as well as data mining tools to determine the most suitable areas for cost changes