

SAP Customer Story Chemicals



With 2,500 SAP users in 14 countries worldwide, time is a critical factor for the world's largest fertilizer company. It is not only the various time zones that make the project time slot small, but also the fact that the season varies from country to country. So when Hydro Agri was going to upgrade SAP R/3 from 4.5 to 4.7, the prime requirement was that this should be implemented quickly and efficiently.

HYDRO AGRI

YOUR TEAM-PLAYER FOR GROWTH

HYDRO AGRI

Hydro Agri upgraded from SAP R/3 4.5 to 4.7 in four months, within budget and on time and achieved a better quality than expected.

Hydro Agri is a Norwegian company which sells 21 million tonnes of fertilizer a year and has a 6 per cent share of the global market, making it the largest fertilizer company in the world. The company's fertilizer is mainly produced in Europe, although some is also manufactured in South Africa, Brazil and Trinidad, and it is sold and marketed worldwide. Hydro Agri has about 100,000 customers in its systems – customers that are taken care of by a total of 8,000 employees in 60 countries. Of these employees, 2,500 are SAP users, of whom 5-600 are simultaneous users. Agri's SAP system forms the backbone of business transactions performed by employees in 14 countries, many of whom are in different time zones and experiencing different seasons.

This spread of Hydro Agri offices and consequently of SAP users was what made the upgrade so difficult.

WELL-ORGANISED PROCESS

"When you work in various time zones and have to cope with different seasons in different markets, the time slot in which changes can be made to the IT-systems is very small. In order not to shut down production and distribution activities, we were very dependent on SAP's technical expertise and their implementation partner in the project being able to work as quickly and effectively as we were led to expect before work started," says CIO of Hydro Agri, Rune Bratteberg.



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The upgrade started this winter and the job was completed during the estimated four months. The company went live in July. "We chose to skip version 4.6 and thus took two steps in one. This alone was a challenge, but the result was very satisfying. In addition, we upgraded our data warehouse at the same time. The

best thing of all was that we could support 'business as usual' throughout the whole process. An upgrade is naturally a demanding process for the organization, but it was mainly the people involved who noticed that there was work going on behind the scenes. The normal users were not affected or restricted in any way. I think they felt the process was well-organised

and unproblematical," says Bratteberg. In the worst case, if the project had failed to comply with its deadlines, Hydro Agri would have had to roll back the whole project and wait for a new time slot when it could start all over again.

REQUESTED QUALITY

The total budget limit for the upgrade was set at NOK 16 million, and this budget was kept to. According to Bratteberg, this comprehensive job was delivered within the agreed deadline, within budget and with the requested quality. Agri measured the quality by counting the number of errors that occurred after starting up the new version.

"During the first two weeks after start-up, the number of errors fell to below the level that we encountered before the upgrade. This is quite exceptional. Normally, quite a lot of mistakes occur, at least during the first month. Obviously, such successful projects contribute to a reduction in our 'total cost of ownership', something we are very pleased about," says Mr. Bratteberg.

SAP THE SUPPORTING BEAM

Hydro Agri now uses R/3 version 4.7 including Business Information Warehouse. According to Bratteberg, Hydro Agri

does not have very advanced IT requirements. However, the company is facing a number of challenges, especially in the fields of logistics, supply and sales, where SAP's solutions form the actual supporting beam for the company's IS architecture.

Hydro Agri has outsourced almost all its IT-related work. At

present, the company administers around 450 GB of SAP-related data, a figure which is increasing by 55 GB each year.

"We started to use SAP in the 1990s and our main strategy is to make use of SAP's solutions for all our primary activities in the long run – also globally," says Mr. Bratteberg.

"SAP has previously had a credibil-

ity problem linked to the fact that its solutions are comprehensive and expensive, and that fast deliveries have therefore been a problem. I think our experience in this respect destroys this myth. Our project was delivered within a short and critical time frame and in compliance with the budget and quality standards stipulated. In other words, it is possible to have control over a SAP project," adds Mr. Bratteberg.

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SAP solution components: R/3 4.7
Business Warehouse 3.1
Hardware platform: IBM RS 6000
Operating system: AIX
Database: Oracle 9
Number of users: 2,500. 600 simultaneously
Number of sites: 25
Number of countries: 14
Implementation time: 4 months
Implementation partners: Spring Consulting and own resources in Hydro