IBM | **SAP**

Business Challenge

When builders buy from their suppliers, they don't just expect high-quality products, they also want a top-notch shopping experience. How could this company deliver on their demands?

Transformation

This construction materials supplier counts on IBM and SAP solutions to gain super-fast operational insight—helping it better understand customer needs and shape smooth shopping journeys.

Business benefits:

Full ROI
already achieved from investment in SAP HANA

80 million
annual visits to group websites, driving sales

Fresh
insight into shopping behavior allows brands to personalize offers and services

Construction materials supplier

Shapes smooth digital experiences that make it easier for customers to browse and buy

This company is a large supplier of construction materials with operations in many countries.

"We have a very strong relationship with IBM, and we see IBM more as a partner than a vendor. We trust IBM to deliver the very best IT services to manage our mission-critical SAP environment."

Spokesperson, construction materials supplier

Share this

[Twitter] [LinkedIn] [Facebook] [Google+]

Delivering on high expectations

This construction materials supplier operates a portfolio of well-known brands that resonate with builders and are renowned for product quality and reliability. However, the company knows that customer sentiment can shift all too quickly, which is why it is constantly working to develop new solutions and sales strategies to ensure its brands remain the go-to choice in building materials.

A spokesperson elaborates: "We are always looking for new ways to offer greater value to our customers and to run our own operations more efficiently—and technology plays a key role in helping us to meet these objectives. Most recently, we've been developing our digital strategy to give customers the best omni-channel experience. We've launched new mobile apps, and have enhanced our e-commerce sites and social media pages to make it easier than ever for customers to browse and buy products.

"At the same time, we're working to gain better insight into our customers and their buying habits across all our channels and brands. With an improved understanding of how customers prefer to shop and what products they are interested in, we can shape offerings and outreach that resonate with each and every individual.

"To drive this far-reaching digital transformation program, we need a strong IT backbone. We operate hundreds of e-commerce sites, mobile apps and other online services—not to mention thousands of bricks-and-mortar stores.

"To ensure customers can always find what they are looking for, we must ensure that all these sites are stocked with the correct product mix and up-to-date information.

"On top of that, we need precise logistics management to make sure that we deliver the right products on time, every time. And we are looking to harness the latest technologies such as Internet of Things [IoT] and make more of our operations online and available 24/7."

Laying the foundations of sales success

For years, this supplier has trusted an integrated suite of SAP® applications to manage everything from inventory and production planning to customers and suppliers. When its parent company announced a new initiative, aimed at renewing group-wide information systems, the supplier seized the opportunity to take its digital capabilities and reporting performance to the next level by migrating its SAP ERP and SAP for Retail applications to the SAP HANA in-memory database.

"Introducing SAP HANA gave us the opportunity to build a holistic, near-real-time view of our customers across our business," explains the spokesperson. "The aim is to centralize data and reporting throughout the business. With a single point of control and a single view of each customer, it will be easier for us to co-ordinate company-wide activity and gain a more nuanced understanding of how customers interact with us as a whole."

> "We have a great deal of experience with IBM Power Systems, and have been very satisfied with the platform's performance, stability and virtualization capabilities."

Spokesperson
Construction materials supplier

Traditionally, the supplier has run the majority of its core SAP systems on IBM Power Systems servers, all hosted and managed by IBM Services at an IBM datacenter. The company decided to maintain this tradition, and run its new SAP HANA database on IBM Power Systems.

The spokesperson comments: "We operate hundreds of SAP systems, which underpin almost every aspect of our business. It's vital for us to keep these systems running with the highest levels of availability, performance and stability.

"For many years now, we have relied on IBM Services to manage our SAP environment. We have a very strong relationship with IBM, and we see IBM more as a partner than a vendor. We trust IBM to deliver the very best IT services to manage our mission-critical SAP environment.

80 million annual visits to group websites, driving sales

"We have a great deal of experience with IBM Power Systems, and have been very satisfied with the platform's performance, stability and virtualization capabilities. What sealed the deal for us was a visit to the IBM SAP International Competence Center in Germany: here, we were able to see first-hand how we could leverage SAP HANA on IBM Power Systems. We also heard from other large enterprises who were using the platform, and their positive experience of running SAP HANA on IBM Power Systems gave us confidence that we could achieve similar benefits."

Working with IBM Services and supported by offshore IBM teams, the supplier successfully completed a migration to SAP HANA on IBM Power Systems. The company has deployed SAP HANA on six IBM Power System E880 servers, which are virtualized with IBM PowerVM® technology and run SUSE Linux Enterprise Server for SAP Applications.

"The migration went very smoothly," says the spokesperson. "We were in good hands with IBM—the teams had great experience, and thanks to their support we were able to complete the migration on time and within budget, without any issues."

Currently, the supplier runs SAP ERP powered by SAP HANA and SAP for Retail powered by SAP HANA. The SAP HANA database is currently 1 TB and is expected to grow to 8 TB in future.

The ERP applications total over 100, and include SAP Customer Relationship Management, SAP Extended Warehouse Management, SAP Supplier Relationship Management, and SAP Supply Chain Management. In addition, the company runs SAP Cloud for Customer in the SAP Cloud.

The division has big plans for the SAP HANA platform: it is upgrading to SAP HANA 2 (a new release of SAP HANA), and is looking to introduce SAP Business Warehouse powered by SAP HANA.

Unearthing game-changing insight

By choosing Power Systems, the supplier can take advantage of PowerVM virtualization to achieve high levels of performance for SAP HANA workloads at a low cost.

"We are convinced that IBM Power Systems is the best platform for running large SAP HANA environments like ours," states the spokesperson. "The IBM Power servers are very stable and harnessing IBM PowerVM helps us achieve great

performance while saving money. We have consolidated a large number of virtual servers on our Power Systems platform, which helps us keep licensing costs low and our datacenter footprint small."

The decision to introduce SAP HANA has paid off quickly for the company, as it achieved a full return on its investment in SAP HANA within just a few months of its deployment. And with SAP working continuously to enhance the platform, the IT team feels confident that it is well-positioned for the future.

The spokesperson notes: "Our journey with SAP HANA is just beginning, and we are excited to see what the future holds. SAP is constantly improving SAP HANA, and we look forward to making use of new functionality, as well as enhanced performance and agility."

Crucially, with SAP ERP powered by SAP HANA and SAP for Retail powered by SAP HANA delivering near-real-time insight into its extensive operations, the company will be able to provide decision-makers with the timely information they need to steer a successful business.

The spokesperson remarks: "Using SAP ERP powered by SAP HANA means that we don't waste time loading data into a data warehouse—everything is in-memory all the time, which helps us achieve super-fast processing. And the faster we can process data, the faster we can serve up insights to business users, helping them make better decisions.

"For example, in the future, our salespeople will be able to track a customer's entire purchase history and browsing habits across all our channels. So if they see that a particular customer

Key components

Applications: SAP® Business Warehouse powered by SAP HANA®, SAP Cloud for Customer, SAP Customer Relationship Management, SAP ERP powered by SAP HANA, SAP Extended Warehouse Management, SAP Fiori®, SAP for Retail powered by SAP HANA, SAP HANA, SAP Supplier Relationship Management, SAP Supply Chain Management

Software: IBM® PowerVM®, SUSE Linux Enterprise Server for SAP Applications

Hardware: IBM Power System E880

Services: IBM Services

has recently been looking at roofing tiles, for instance, they can reach out with a special promotional offer on the customer's preferred channel. Equally, if a shopper is browsing for wall coverings, we can suggest related products like insulation materials. Providing these kinds of targeted offers and suggestions helps increase the likelihood of a customer making a purchase, and boosts cross- and up-sell opportunities—driving sales and revenues for our business."

Additionally, as the supplier continues to transform its digital strategy—bringing customers more ways to browse and buy online and via mobile devices—improved operational visibility and control will play a vital role in helping the division to support truly 24/7, omni-channel operations. The company plans to further enhance its digital landscape by building a new customer portal on SAP Fiori®.

In future, the supplier intends to expand into even more countries, and requires an IT infrastructure that will scale up to support rising business volumes. The IT team is confident that SAP HANA on IBM Power Systems is a perfect fit.

"Today, customers are used to making purchases at the click of a button, anytime and from any device," comments the spokesperson. "If we can't deliver on these demands, we risk losing valuable business to more nimble competitors.

"Running SAP ERP powered by SAP HANA and SAP for Retail powered by SAP HANA on IBM Power Systems gives us a very agile, high-performing platform for meeting the demands of 24/7, omni-channel retail. That helps us deliver a great shopping experience that keeps customers happy and inspires them to come back to our brands time and time again."

Learn more, connect with IBM 🐦 ▶️ **and SAP** 🐦 ▶️