



Business Challenge

Valorec Services looked to increase operational efficiency to help drive business growth. How could it provide innovative, integrated, client-led services while optimizing costs and boosting agility?

Transformation

Valorec Services built on a trusted partnership with IBM to streamline operations and expand its competitive advantages by moving to the cloud with IBM® Services for Managed SAP Applications.



Jean-Philippe Bernard,
Head of IT,
Valorec Services AG

Business benefits:

60%

IT operational
cost reductions

Low-risk

migration path helped
create business value
without disruption

Standardized

solution lowers complexity
and increases agility
and flexibility

Valorec Services

**Cutting expenditures and
sharpening competitive edge
with IBM Services for Managed
SAP Applications**

Valorec Services AG, a subsidiary of the Veolia Group, is based in Basel, Switzerland, employs 300 people, and specializes in providing expert services to the pharmaceutical and chemical industries. A world leader in optimized resource management, the group contributes to the sustainable development of communities and industries by designing and providing water, waste and energy management solutions. In total, Veolia Group employs more than 171,000 people, and generates annual revenues of EUR 25.91 billion.

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IBM Services for Managed
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Jean-Philippe Bernard, Head of IT,

Valorec Services AG

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Preparing for dynamic business growth

Valorec Services AG, part of Veolia Group, offers waste recycling and disposal, energy management, and maintenance solutions for industrial clients. With a historic focus on the pharmaceutical and chemical sectors in the Basel area in Switzerland, the company customizes its services to the specific business and regulatory requirements of its clients.

Facing competitive pressures and constantly changing customer and compliance demands, the company wanted to strengthen its market position by expanding into new revenue opportunities.

Jean-Philippe Bernard, Head of IT at Valorec Services AG, comments: “We were looking to develop innovative service offerings solutions that would help us grow in existing markets and go after new opportunities. It was essential to cut our IT operating costs to maintain our operating margins, plus we could see possibilities in the Industrial Internet of Things and much more, but found that our existing IT infrastructure was a significant obstacle.

“Valorec Services also aimed to be at the forefront of Veolia Group’s digital transformation effort, which is designed to enable easy access to core business applications from anywhere at any time. This would improve our business performance and demonstrate technology leadership within the group.

“How could we provide innovative, integrated services to existing and new clients while optimizing costs and boosting agility?”



Additionally, the company is always on the hunt for qualified staff, and Valorec Services wanted to attract bright talent in all its business divisions to help drive growth.

Leveraging managed cloud services

Embracing Veolia Group’s strategic digital transformation initiative, Valorec Services decided to move its core [SAP® ERP](#) business applications into the cloud and selected its trusted partner IBM for the modernization project.

Jean-Philippe Bernard adds: “It was a difficult decision. We looked at costs and risks, and the package offered by IBM was the most attractive option. We have a longstanding partnership with IBM and SAP over more than 12 years and have

already built up a relationship of trust and mutual understanding. Knowing the high level of quality and stability IBM can deliver, we could be sure that IBM will complete this complex migration without disruption. This peace of mind helped us to take this important step for our business.”

Valorec Services streamlined its SAP ERP application landscape, and tasked IBM to move its existing SAP solution landscape to the cloud with [IBM Services for Managed SAP Applications](#). The SAP environment was based on SAP Business Suite solutions, including [SAP ERP](#), [SAP ERP Human Capital Management \(HCM\)](#), plant maintenance features, materials management functionality for procurement processes, and time sheet management for work order tracking and billing.

The SAP ERP solutions are highly customized, enabling the company to offer

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Jean-Philippe Bernard

Head of IT, Valorec Services AG

tightly integrated business processes and systems that are designed to maximize service efficiency for clients. For example, sensor data from weighbridges and scales connect directly with SAP ERP applications, feeding data into logistics systems and label printers to automate complex workflows and minimize manual workload.

Moving its SAP ERP applications to IBM Services for Managed SAP Applications was crucial for Valorec Services to align its IT strategy closely with its parent company’s digital transformation roadmap. Taking advantage of cloud solutions allows for closer integration of different group companies and will help unlock further synergies in the future.

Migrating the Valorec Services SAP ERP solutions to the cloud entailed mapping bespoke configurations to standardized



Reduces
operational IT costs by 60%



Key components

Applications: SAP ERP, SAP ERP
Human Capital Management.

Services: IBM Services for Managed
SAP Applications.

Take the next step

To learn more about the IBM Services
for Managed SAP Applications, please
contact your IBM representative or IBM
Business Partner, or visit the following
website: ibm.com/sap/managed

environments, reducing complexity while preserving valuable business processes.

Jean-Philippe Bernard elaborates:
“The implementation of the cloud solution was a difficult project. The trust between the partners was key to the success. The IBM team was highly competent and the excellent collaboration between different IBM teams helped to hand over responsibilities even as we continued with production operations in full-flow.”

Cutting costs and streamlining IT

Modernizing its underlying IT landscape enables Valorec Services to put more focus on new services and business opportunities. By reducing management and operating costs, the company can release budget for its business

projects, supported by its internal SAP software specialists.

With its critical solutions running on IBM Services for Managed SAP Applications, Valorec Services has reduced the risk of business disruption during the data migration phase between the legacy and cloud environments, with advanced high-availability configurations and access to in-depth technical support from IBM.

The experience gained from a partnership lasting many years enabled the combined IBM and SAP team to complete the implementation in just four months.

Based on deep understanding of Valorec Services' business processes. IBM was able to deliver the project at speed and generate quick results, and the collective team members implicitly trusted each other to reach the shared goal.

Jean-Philippe Bernard confirms: “As a result of switching to IBM Services for Managed SAP Applications, we have cut our IT operating costs for our SAP environment by 60 percent, a massive saving.

“The savings are only one aspect, as we have also hugely improved our business agility. For example, increased cost transparency enables us to make better business management decisions, based on real-time data. With this insight we can balance business requirements and costs more effectively, and present the price of specific requirements more clearly to key stakeholders, leading to better, more informed decisions about budgets and service levels.”

Following lean management practices throughout the company, Valorec Services is always eager to improve its processes further. By adopting IBM Services for

Managed SAP Applications, Valorec Services can directly benefit from the latest best practices, and from everything the cloud operations team learns across all of its highly standardized client environments. The company can scale its applications to match business demand exactly, and to avoid paying for unused capacity. Similarly, high-availability, backup and recovery solutions have also become much more affordable and cost-efficient when managed centrally by the cloud operations team.

Jean-Philippe Bernard states: “Running in the cloud and benefiting from continuous improvement really fits well into our lean management approach. For example, the IBM team has more experience in basic testing of patches and deploying updates than we have, and their assistance significantly reduces our test workloads. By eliminating infrastructure and software worries we can focus on

business requirements.”

The strong relationship between Valorec Services and IBM was paramount for the success of this migration project.

The highly complex SAP environment across multiple systems and the direct impact on the business required careful planning and a very tight schedule. The migration could only be delivered on time by implementing an agile approach to project management based on various iterations and milestones in combination with effective communication and close collaboration across all teams.

The project was coordinated from the IBM Digital Sales Center in Dublin with its wealth of expertise. Key for the perfectly delivered, smooth and timely migration was a tight management system defined by the Digital Client Partner Executive.

Jean-Philippe Bernard says: “With IBM as partner, we have the best combination of a local team with global resources and capabilities.

“For example, to comply with relevant



data protection policies, such as the EU General Data Protection Regulation (GDPR), we need local data centers, which IBM was able to provide. This is important for us, since as part of the international Veolia Group, we are also working with group companies operating in other geographies.

“As a matter of fact, [Veolia Group has also partnered with IBM in Australia](#) to implement a cloud solution for SAP applications.”

The availability of German-speaking staff has furthermore improved productivity throughout the project

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as it helped to avoid time-consuming misunderstandings which could have delayed the project. Jean-Philippe Bernard concludes: “From our perspective, selecting IBM Services for Managed SAP Applications is already a big success. We trusted IBM from day one to be able to deliver this project without disrupting mission-critical business processes.

“By moving our SAP applications into the cloud, we aligned our IT strategy closely with our parent company and lead the digital transformation within the group, delivering value and preparing for future challenges.”

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SAP

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