



Business Challenge

With major international and local companies jostling for market share, how could Tapal Tea reduce operational costs and simultaneously maximize sales opportunities?



Waseem Rasheed,
General Manager
Information Services,
Tapal Tea

Transformation

The company chose to deploy SAP® S/4HANA® applications, supported by IBM® Power Systems and IBM Storage infrastructure, to provide fine-grained insight into every operational detail. Tapal Tea has significantly improved data visibility, enabling executives to identify and cure operational inefficiencies, to improve margins, and to highlight and exploit new revenue streams.

Business benefits:

Enhanced

data visibility, with capacity for real-time analytics into all aspects of operations

Increased

operational efficiency from the shop floor to sales

Improved

application performance with IBM POWER9™ Systems and IBM Storage

Tapal Tea

Brews up competitive strategy based on deep operational insight to drive efficiency and sales

Tapal Tea is the largest fully Pakistani-owned tea company in Pakistan. The company employs around 500+ people in its two factories, with a leading market share of over 50 percent. Tapal Tea brands are sold throughout the country in some 128,000 retail stores, and marketed internationally.

“The unparalleled time-to-insight of SAP S/4HANA on IBM Power Systems will provide us with a firmer basis on which to take vital decisions.”

Waseem Rasheed, General Manager
Information Services, Tapal Tea

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Refreshing IT systems

Pakistan is the seventh-highest consumer of tea per capita in the world – and numbers are growing rapidly. According to a report by the UN Food and Agriculture Organization, Pakistan's consumption of tea increased by nearly 36 percent from 2007-2016, and will rise by another 45 percent by 2027.

In such a fast-growing industry, major multinational businesses are jostling for market share with local players.

Tapal Tea, one of Pakistan's oldest, largest and leading manufacturers, sells its tea brands in some 128,000 retail stores. With aggressive competitors aiming to steal market share, Tapal Tea wanted to brew up a strategy to retain its leadership.

Waseem Rasheed, General Manager Information Services, Tapal Tea, explains, "We want to ensure that all employees have all the information they need to help them perform their jobs to the best of their ability, and give them greater insight into operations.

"For example, is manufacturing running at optimal efficiency, or can we find ways to save logistics costs, and are we maximizing our sales opportunities and margins?"

"Our existing IT systems were causing a huge infrastructure bottleneck for extracting and analyzing the store-level data we wanted, and lacked both speed and capacity. It was clear that only a new approach would deliver the kind of information visibility that a competitive marketplace demanded."



Thirst for insight

Tapal Tea has relied on SAP software for many years, and the IT team knew that [SAP S/4HANA](#) applications clearly promised greater efficiency and capabilities. Following a proof of concept demonstration, Tapal Tea was impressed with the speed of the [SAP HANA](#)® database, and realized that the performance improvements could provide the deep business insight that the company desired.

Based on these assessments, Tapal Tea decided to convert their system to SAP S/4HANA and SAP Solution Manager, also powered by SAP HANA, as well as SAP® BusinessObjects™ Business Intelligence. Waseem Rasheed explains: "We knew that implementing SAP S/4HANA would take our business to the next level – with SAP S/4HANA, we would be able to gain detailed insight into our operations and empower our employees to work more efficiently. For example, we decided to build detailed

dashboards in SAP S/4HANA to provide comprehensive, real-time analysis for all of our core business processes in our 13 business departments with two production facilities and six warehouses across Pakistan, including sales and manufacturing operations.

"These dashboards will ensure that our employees and management team have all the information they need on activities across our entire supply chain – we are confident this will prove transformational for our business.

"For instance, one of our biggest sellers is Danedar Tea. If we can see on any given day that a particular brand of tea is growing significantly in popularity in a specific region, we can immediately decide to focus our efforts more on that area, which will help us improve sales and revenues. This information also enables us to invest more in the raw materials to boost production of the most popular items – ensuring that we can meet increasing demand.

"SAP S/4HANA on IBM infrastructure will help Tapal Tea make more informed decisions, enabling us to evolve into a more efficient company, well positioned to defend our place at the forefront of the Pakistani tea market."

Waseem Rasheed

General Manager Information Services, Tapal Tea

"By providing a clear, data-driven snapshot of the performance of each process, we will enable employees to work more effectively, and drive accurate and agile decision-making across our business."

Powering ahead

To maximize the benefit of the new SAP S/4HANA solutions, Tapal Tea reviewed its IT infrastructure, and chose two [IBM Power Systems H922](#) servers fueled by POWER9 technology, as primary and backup, running the [SUSE Linux Enterprise Server for SAP Applications](#) operating system.

Waseem Rasheed notes: "We have long experience with IBM Power Systems,



and have always been impressed with the servers' high performance, excellent reliability and scalability. We were convinced that the latest generation of IBM Power Systems servers would be the optimal platform to support our SAP S/4HANA implementation because they are designed to run a very heavy data footprint – vital for our new in-memory database.

“The flexibility that IBM Power Systems provide through their outstanding virtualization functionality, enabled by **IBM PowerVM®**, is also very important for our business. By using logical partitions, we can carve out multiple instances on just two servers – for example for production, development, test and quality assurance – without the delay and expense of acquiring and managing separate physical machines. Virtualization also allows us to allocate compute and memory to each instance, and we can expand capacity in a very flexible way to meet business needs as we grow in the years to come.”

As an additional advantage, during the implementation of the new servers, Tapal Tea used its existing IBM Power Systems S822 to strengthen its disaster recovery site. This helped to protect the company's investment, as its POWER8® systems were also supported to run SAP HANA. To store and manage data, Tapal Tea selected an **IBM Storwize® V7000**, populated with both SAS and SSD drives, with **IBM Spectrum® Protect** software for data protection and backup.

Waseem Rasheed explains: “We were very impressed with the reliability that IBM Storwize delivers: avoiding downtime is crucial for our business, and we saw that the excellent availability that IBM Storage provides would help us meet our business goals.

“IBM Spectrum Protect provides a single point back-up solution for Tapal Tea, covering multiple platforms including SUSE Linux and Windows, and protecting multiple database flavors such as SQL Server, Db2 and SAP HANA. Additionally,

IBM Spectrum Protect offers us potential for enterprise protection capabilities, simply by adding the appropriate license and activating the functionality.”

IBM Systems Lab Services worked with IBM Business Partner GBM Pakistan and the Tapal Tea IT team to deploy the new infrastructure. IBM Systems Lab Services implemented the IBM Power Systems servers – including replication services – and GBM Pakistan installed the IBM Storwize V7000 and IBM Spectrum Protect software. The Tapal Tea IT department implemented the SAP S/4HANA solutions.

Waseem Rasheed comments: “We've known the IBM team for years, and so we're familiar with their dedication and professionalism; nonetheless, we were delighted with the tireless efforts of both IBM and GBM Pakistan on this project. We love working with IBM hardware because IBM produces all of its solution components in-house, which means that if anything goes wrong, it's much easier to fix. With other vendors, various components might come from a range of third parties, meaning that no one supplier has total insight into the product. We are very grateful to IBM – they understand our strategy and goals as a business, and always provide outstanding support to help us achieve them.”

Infusing insight into operations

With its new SAP and IBM solutions, Tapal Tea is building a strong platform to unlock greater visibility into all aspects of the business and reinforce its

Key components

Applications: SAP S/4HANA®, SAP Solution Manager, SAP Extended Enterprise Content Management by Open Text for SAP S/4HANA, SAP Invoice Management by OpenText for SAP S/4HANA, SAP® BusinessObjects™ Business Intelligence

Software: IBM Spectrum® Protect, SUSE Linux Enterprise Server for SAP Applications on IBM Power Systems, IBM PowerVM®

Hardware: IBM Power® Systems H922, IBM Storwize® V7000

Services: IBM® Lab Services, IBM Business Partner GBM Pakistan

To learn more about the IBM SAP Alliance, please contact your IBM representative or IBM Business Partner, or visit ibm.com/power/saphana and ibm.com/it-infrastructure/storage/sap-hana

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market leadership.

Waseem Rasheed notes: “Even prior to our implementation of SAP S/4HANA, we saw vastly improved performance from our legacy SAP environment powered by SAP HANA on IBM Power Systems with IBM Storage. This confirmed our expectations for SAP HANA on IBM infrastructure, and geared us up for the positive impact of SAP S/4HANA.”



The analytics dashboards will update automatically in real time, supported by the processing capacity of the IBM Power Systems servers, offering rapid time-to-insight. The dashboards will ensure employees have a solid basis on which to take mission-critical decisions, helping to drive operational efficiency.

Waseem Rasheed explains the dashboards concept: “For example, with SAP S/4HANA on IBM Power Systems, we will be able to monitor the performance of our tea production machines on the shop floor in real time. If, for whatever reason, a machine’s production happens to be down, we will instantly be able to ask our technicians to step in, fix the issue and get production back on track – minimizing

the impact on our tea output.

“Thanks to the dashboards, our salespeople and management will get instant insight into which products are performing best in which retail outlets, and in which part of the country – helping them plan and coordinate their efforts even more effectively, and maximize sales.”

In future, Tapal Tea plans to add capabilities such as [SAP Extended Enterprise Content Management by Open Text for SAP S/4HANA](#), to drive more efficient data archiving, and

[SAP Invoice Management by OpenText for SAP S/4HANA](#), to streamline invoice processing.

Waseem Rasheed concludes: “I believe that SAP S/4HANA on IBM Power Systems will soon be as vital to us as the bloodstream is to the human body. Our new SAP environment powered by IBM infrastructure carries mission-critical information on core processes to all parts of the company on a real-time, non-stop basis.

“Employees in all departments of Tapal Tea make more informed decisions on

everything that matters to the business, enabling us to evolve into a more efficient company, well positioned to defend our place at the forefront of the tea market in Pakistan and internationally.”

As evidence of success, Waseem Rasheed remarks, “Danedar is one of the highest-volume products that we sell. The sales insight made possible by the powerful analytics of SAP S/4HANA, IBM Power Systems, and IBM Storwize have enabled the business to focus on key areas that have boosted the brand’s performance significantly.”

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