



Business Challenge

To maintain its competitive edge in a saturated market, a global consumer goods company was looking for ways to increase operational efficiency and cut costs, and ultimately to pass savings onto customers.

Transformation

To build better insight, the company chose to supercharge its critical business systems, by moving its SAP® ERP HCM application powered by SAP HANA® to IBM Power Systems™ and IBM® Storage.

Business benefits:

\$3.9 million
saved in Total Cost of Ownership over three years

50%
reduction in system administrator workload by moving to IBM Power Systems

7 months
to full return on investment

Consumer Goods Company Cleansing complexity to stay ahead of the competition

This IBM customer is one of the global leaders in its field and supplies household and personal care products to customers in more than 190 countries around the world. .

“Moving to IBM Power Systems puts us in a strong position to keep up with new advances in technology that could give us the edge against our competitors.”

Spokesperson, Consumer Goods Company

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Hunting for efficiencies

In mature, saturated markets such as the fast-moving consumer goods space, margins are extremely tight. Finding cost savings for existing processes or launching new products into profitable niches can translate into significant competitive advantage.

This major consumer goods company delivers household and personal care products to more than 190 countries. To manage business on this scale, the company relies on the speed and efficiency of its SAP ERP powered by SAP HANA applications.

In the past, the company ran its SAP HANA databases on x86 appliances, typically with one appliance for each ERP application's database. To accommodate its large SAP landscape, the company ran a total of 53 SAP HANA appliances—each of which had to be purchased and run separately.

A spokesperson for the consumer goods company explains: “The market we operate in is saturated, as there aren't really any untapped consumers who don't use the kinds of products we sell. Everyone is buying things like toothpaste and laundry detergent already – the question is how to get them to buy more from us. Consumers are price-sensitive – particularly when it comes to everyday products – so staying ahead in our industry is all about finding new ways to increase operational efficiency.

“Moving to SAP HANA a few years ago gave us powerful, lightning-fast reporting. But because we were running and maintaining so many appliances, our infrastructure landscape was relatively expensive and complex to manage. We set out to find a better way of working and make our processes more cost-efficient.”

A clean break

The consumer goods company decided to test out a new way of running its SAP HANA environment, deploying virtual machines hosted on [IBM Power Systems](#) servers. The virtualization is provided by [IBM PowerVM®](#), and the virtual servers run the [SUSE Linux Enterprise Server for SAP Applications](#) operating system.

The spokesperson remarks: “We worked out that running SAP HANA on IBM Power Systems offers much lower management costs and TCO than an appliance model. And from our long experience using IBM products, we knew they would give us the reliability, flexibility and scalability that we need.”

The company engaged an IBM Business Partner to identify and acquire products. The IBM Business Partner procured six [IBM Power Systems E880C](#) servers over the space of a year, with the IBM team supporting the implementation.

The spokesperson adds: “Having the IBM Business Partner on hand to scope out and purchase products for us made things really easy, so we don't have to go out and buy additional products. And IBM carrying out all the implementation themselves really took the pressure off us.”



To store SAP data, the consumer goods company operates a shared-storage pool, comprising one [IBM XIV®](#), one [IBM XIV Gen3](#), one [IBM DS8884 storage system](#), two each of [IBM Storwize V7000](#) and [IBM FlashSystem® 900](#), and six [IBM DCS3700](#) storage devices.

The storage capacity is virtualized using [IBM Spectrum Virtualize™](#), configured to deliver rapid access to the most in-use, “hot” data, to maximize storage efficiency. Data is backed up to four [IBM TS4500 tape libraries](#), and the servers and storage are connected via [IBM System Storage SAN768B-2](#) and [IBM System Storage SAN24B-4 Express switches](#).

The spokesperson remarks: “The tiered storage deployment created by IBM increases our capacity and gives us a huge amount of flexibility. We can get the best performance possible out of our storage, with rapid access to frequently used data, while saving on ownership and maintenance costs.”

All IBM hardware is purchased on a three-year lease system provided by [IBM Global Financing](#). The spokesperson adds: “The lease arrangement with IBM Global Financing is great. It's brilliant to get a whole IT refresh every three years, and each time IBM offers more powerful hardware and greater capacity, usually for the same price.”

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Testing the water

As a first step, the company migrated its SAP ERP HCM powered by SAP HANA application from the previous appliance solution to the new IBM Power Systems servers.

Following the success of running its SAP ERP HCM application on the IBM Power Systems servers, the company plans to replace a total of 53 Intel-based appliances with six IBM Power Systems. What’s more, the company plans to unify its five geographical SAP instances into one single, global instance.

The spokesperson adds: “One of the real benefits is that IBM Power Systems can run a variety of databases simultaneously. This means that, as we migrate from SAP HANA appliances onto IBM Power Systems, we will not need to run two infrastructures in parallel as we can keep not-yet-migrated SAP ERP applications running on other databases on the same physical server.”



The company is currently working to upgrade its SAP HANA 1 databases to SAP HANA 2 – or technically speaking, from Big Endian to Little Endian. This will help the company stay on SAP’s support roadmap, and enable it to run queries on the backup copy of the database to maintain higher performance on the production database – a new feature available with SAP HANA 2.

A fresh start

IBM Power Systems servers allow companies to run multiple workloads in separate logical partitions (LPARs) on the same physical machine, reducing infrastructure costs. The spokesperson continues: “Our IBM Power Systems solution is already running [IBM Db2®](#) and SAP HANA simultaneously, and the capability to run different workloads on the same physical machine reduces infrastructure costs. In fact, by moving our entire SAP environment to IBM Power Systems, we aim to cut TCO by 53.4 percent – saving USD 3.9 million over three years!

Benefits in detail

- USD 3.9 million saved in Total Cost of Ownership over three years
- 50 percent reduction in system administrator workload by moving to IBM Power Systems
- 7 months to full return on investment
- Six IBM Power Systems servers to replace a total of 53 Intel-based appliances
- Increased speed of processes and reports, sharpening business agility
- Capacity to run multiple workloads on single server reduces infrastructure costs
- Successful pilot for SAP ERP HCM application convinced the consumer goods company to move the entire SAP landscape to IBM Power Systems
- First step on the roadmap to SAP S/4HANA

Key components

Applications: SAP® ERP, SAP ERP HCM, SAP HANA®

Software: IBM® Db2®, IBM PowerVM®, IBM Spectrum Virtualize™, SUSE Linux Enterprise Server for SAP Applications

Hardware: IBM DCS3700, IBM DS8884, IBM FlashSystem® 900, IBM Power Systems E880C, IBM Storwize® V3700, IBM Storwize V7000, IBM System Storage® SAN24B-4 Express, IBM System Storage SAN768B-2, IBM TS4500, IBM XIV®, IBM XIV Gen3

Services: IBM Global Financing

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“Migrating our SAP ERP HCM powered by SAP HANA application to IBM Power Systems was a complete success – and the move went smoothly thanks to the help of the IBM team,” says the spokesperson. “HR processes and reports run even faster on IBM Power Systems than on appliances. We are now confident about moving all of our processes to run on IBM Power Systems.



“With increased performance from SAP HANA on IBM Power Systems we will be able to make decisions faster.

“The real benefit of moving to IBM Power Systems servers is that the platform is so much easier to administer, and we have fewer physical machines to maintain. For each two system administrators we currently have managing appliances, we will need one for IBM Power Systems. As a result, we will be able to free up our valuable IT personnel for essential business activities.”

The company is currently working to replace its five regional SAP instances to a single global instance running on IBM Power Systems. By standardizing on a single instance, the company hopes to enable closer collaboration between its regional entities, unlocking greater economies of scale in procurement and driving closer coordination on initiatives such as marketing promotions. When the consolidation is complete, the company has plans to move to SAP S/4HANA, for increased agility and speed of insight.

The spokesperson concludes: “After we have moved all of our SAP applications to one consolidated instance on IBM Power Systems, we will be able to enjoy dramatically reduced costs and improved adaptability. Moving to IBM Power Systems and IBM Storage puts us in a strong position to keep up with new advances in technology that could enable us to keep prices low and give us the edge against our competitors.”

Learn more, connect with IBM



and SAP



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