

## Case Study

Industry: Chemicals & Petroleum

Solution: Services

Geography: Portugal

# Galp unifies operations for sustainability success

## Building an integrated platform for energy innovation with IBM and SAP

Galp ([external link](#)) is committed to developing efficient and sustainable solutions in its operations and integrated offers for its customers, with a strong commitment to energy transition. The company creates simple, flexible and competitive solutions for businesses and individual consumers. By working with IBM® Services® to move to integrated, optimized digital workflows on SAP S/4HANA®, Galp is gaining near-real time insights into customer preferences—helping it maximize lifetime value and nurture loyalty.

“Working with IBM and SAP, Galp has laid the foundation for its new business model, with SAP solutions to help us lift satisfaction and strengthen long-term relationships.”

- Catarina Ceitil, Head of ERP Transformation Program, Galp



## Proving the concept

Galp kicked off its global integration initiative with the Azores and Madeira island regions of Portugal, two key domestic markets for its downstream energy business.

Catarina Ceitil, Head of ERP Transformation Program at Galp, says, “Thanks to assistance from IBM Services we are using SAP Fiori mobile apps connected to the SAP S/4HANA platform to empower employees at our gas stations and convenience stores to accelerate tasks such as ordering stock and raising maintenance tickets. In the future, we’ll use real-time point-of-sale data to rapidly identify the optimal product mix for each store based on fine-grained customer buying behavior. Combined, these capabilities will help ensure customers can always find their desired products on our shelves, keeping them coming back time and again.”

She continues, “In our B2B operations, we’ve begun to replace manual processes with automated, digital workflows. Working with IBM Services, this effort is already having a very positive impact on our accounts payable teams, where we’ve lifted straight-through processing for invoices to 75 percent. We’re now liberating our people to focus on value-added activities, and feedback has been extremely positive—in a recent survey, 76 percent of respondents indicated they felt the project was a success.”

### Business Impact

- **75%** straight-through invoice processing achieved, liberating personnel for value-added work.
- **76%** of back-office users surveyed consider the SAP S/4HANA project a success.
- **Builds** a powerful data foundation to enable rapid digital transformation.
- **Enables** optimization of retail inventory based on real-time sales data, predicted to drive B2C sales.
- **Delivers** a single view of B2B customer relationships, helping to identify up- and cross-sales opportunities and maximize lifetime customer value.

## Targeting the future of energy

Galp is preparing for the future of energy. The long-term strategy aims to build a competitive asset portfolio, to shift from product- to customer-centered services, and to take advantage of energy transition opportunities as they arise.

Like many energy leaders, Galp relies on SAP business systems to manage its end-to-end processes. Over the years, the company's SAP ERP systems had been heavily customized, making it difficult to respond with agility to the transformation initiative. As well as presenting practical challenges for the B2C business—where complex and labor-intensive processes for receiving goods sometimes led to negative-inventory errors—the customized systems were also causing difficulties in Galp's B2B operations.

“Even making a small change to the existing SAP ERP solutions could require up to six months of work,” confirms Catarina Ceitil.

“To enable our long-term ambitions, at the organizational level, we're replacing operational silos with integrated business units, enabling greater efficiency and better customer experiences. For example, by merging our various business units, we can offer a single point of contact for each B2B customer, rather than separate account executives, purchase orders and invoices for each product area.”

### Unifying the business on a single platform

Teaming with IBM Services, Galp has completed phase one of its digital transformation. The company is using SAP S/4HANA and SAP® B/W4HANA® in the AWS cloud to create the foundation for timely, data-driven decision-making, enabling targeted actions to help lift revenues and boost customer satisfaction.



## Selecting trusted partners

To accelerate its transformation, Galp recognized that digital capabilities would be crucial. In the near term, the objective is to allow greater integration between the company's business units, promoting higher efficiency internally and greater convenience for customers. In the long term, the company will harness its data to incubate start-up innovation and support new energy business models.

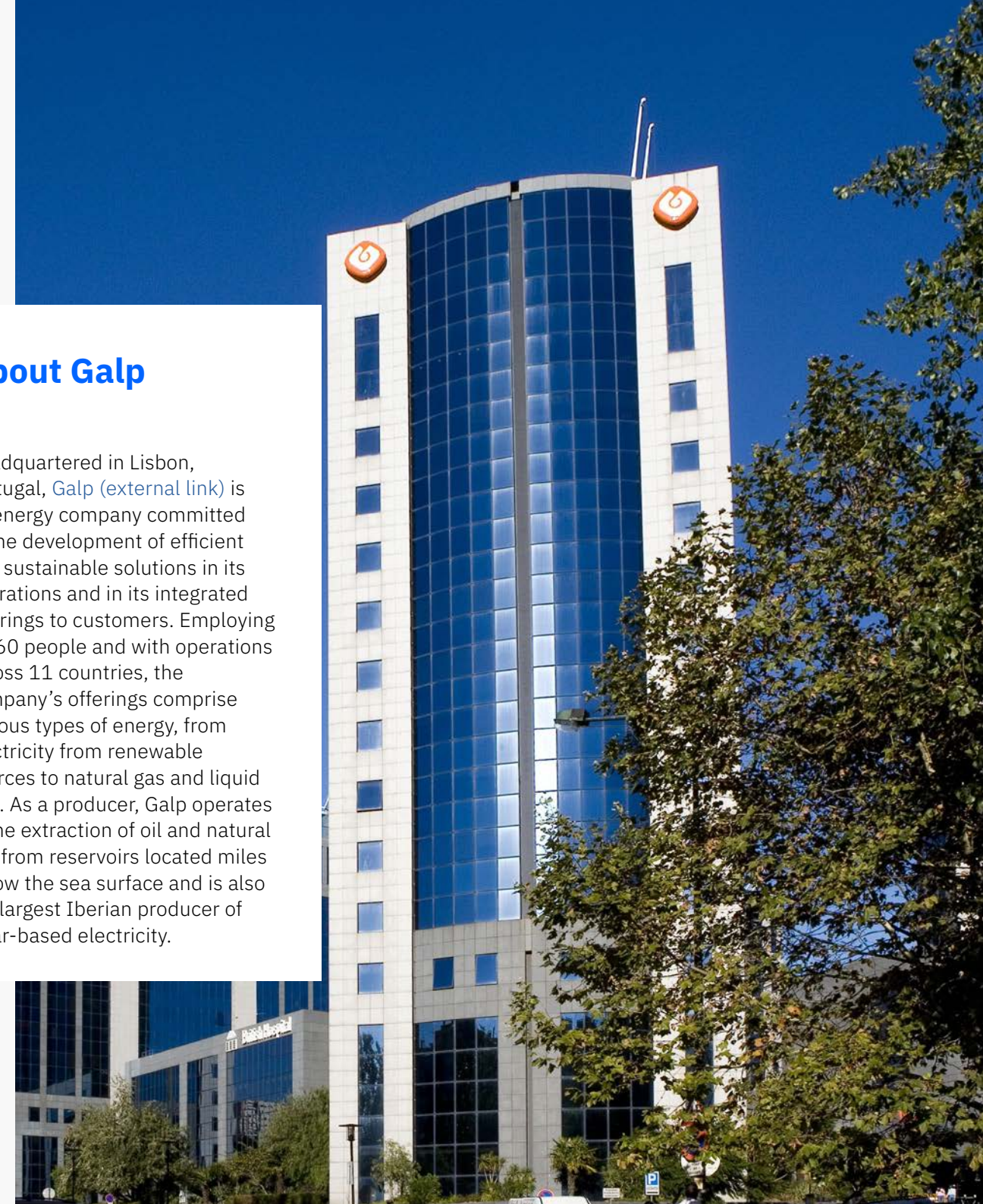
“When we heard about the launch of SAP S/4HANA, we immediately recognized that it could be a key enabler for our transformation project,” recalls Catarina Ceitil. “Unlike other vendors we considered, SAP has mature solutions designed specifically for the requirements of the oil and gas industry, and we had great confidence that SAP S/4HANA would meet our needs.”

To help support the business in its move to the new SAP solution, Galp engaged IBM Services as its SAP integration partner. “From the outset, the IBM demonstrated strong oil and gas industry knowledge and deep technical expertise in SAP solutions,” continues Catarina Ceitil.

“It's people who make a company, and we were very impressed by the IBM team's performance during interviews and roundtables throughout the evaluation process. Galp, IBM and SAP created a team able to deliver a complex, multi-stage, successful project.”

## About Galp

Headquartered in Lisbon, Portugal, [Galp \(external link\)](#) is an energy company committed to the development of efficient and sustainable solutions in its operations and in its integrated offerings to customers. Employing 6,360 people and with operations across 11 countries, the company's offerings comprise various types of energy, from electricity from renewable sources to natural gas and liquid fuel. As a producer, Galp operates in the extraction of oil and natural gas from reservoirs located miles below the sea surface and is also the largest Iberian producer of solar-based electricity.



## Shaping unified, global operations

Building on the success of the initial conversion to SAP S/4HANA in the Azores and Madeira, Galp and IBM have learned valuable lessons that will empower them to accelerate the continued rollout of the new SAP platform across the global business.

“In the next phase, IBM will continue to assist us with our transformation while pioneering hybrid agile deployment methods,” explains Catarina Ceitil. “By harnessing agile, iterative sprints in the design and build phases and waterfall methodologies for the final SAP S/4HANA conversion—testing, training and deployment—we’re confident we can complete the next stage of the project to an aggressive timetable, bringing us closer to our long-term transformation goals.”

With standardized, integrated business systems at the heart of its operations, Galp is able to augment its digital capabilities rapidly, and with the scalability needed to meet future demand.

Catarina Ceitil adds, “In the past, making changes to our SAP ERP applications could demand up to half a year of work. With our new SAP solutions, that’s all changed. In fact, we recently upgraded to the latest version of the SAP S/4HANA platform in just 10 weeks. As a result, we can take advantage of enhanced functionalities rapidly and without any negative impact on our day-to-day operations.”

“One of our key long-term goals is to foster the loyalty of our B2B clients by becoming a customer-centric business. Working with IBM and SAP, Galp has laid the foundation for its new business model, with SAP solutions to help us lift satisfaction and strengthen long-term relationships. IBM continues to support us on our transformation journey, and provides ongoing support for our SAP solutions through a dedicated team of technology experts.”

-Catarina Ceitil, Head of ERP Transformation Program, Galp



## Overcoming the odds

Working with IBM Services, Galp began by mapping out its B2B and B2C business processes across Madeira and the Azores, and identifying the changes required to build integrated workflows in SAP S/4HANA.

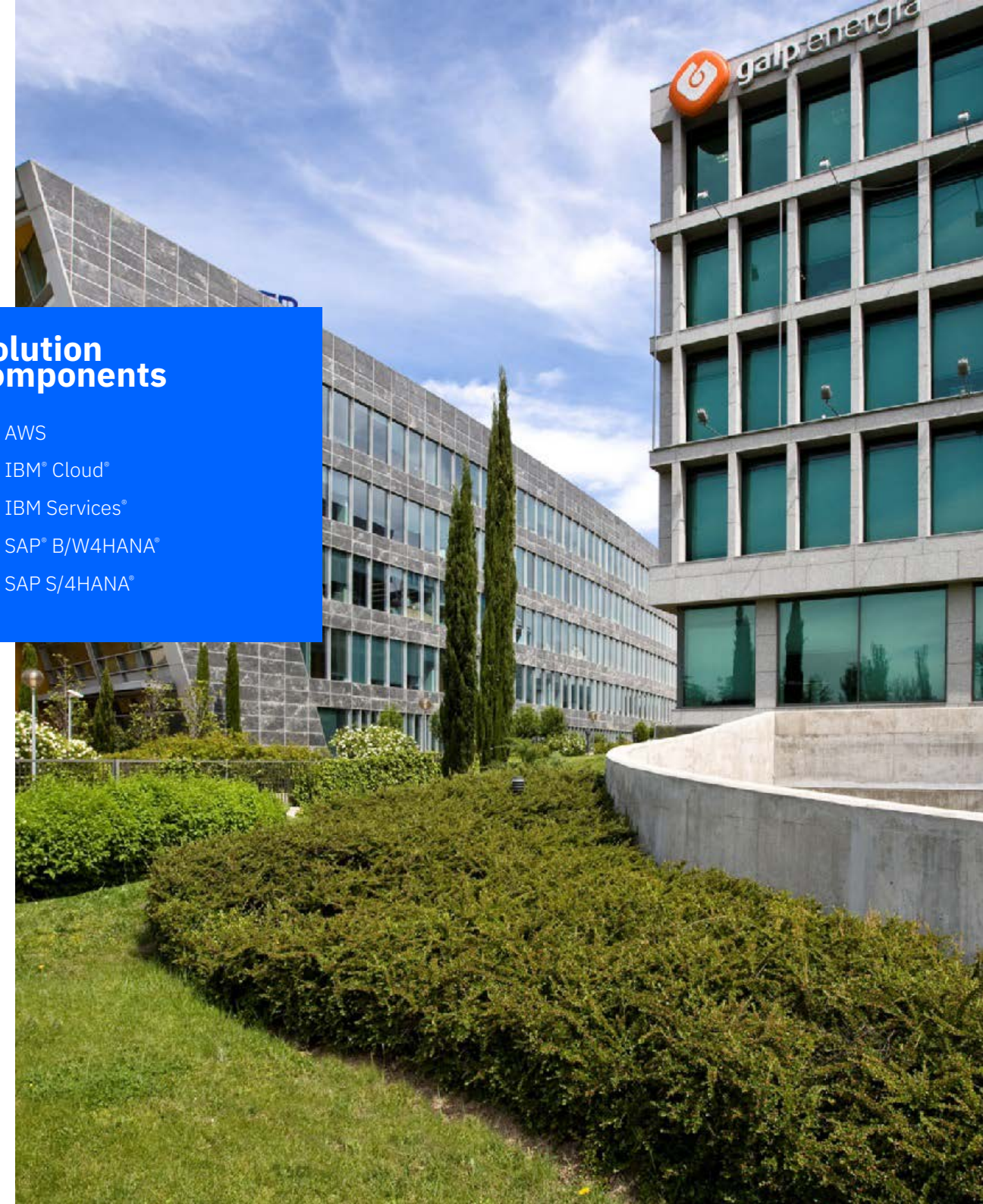
“The initial SAP S/4HANA conversion was an important proof of concept for the global project, and we set aggressive deadlines for the go-live,” says Catarina Ceitil. “IBM understood our goals, and was always willing to be flexible to help us meet them. Early in the project, IBM set up a sandbox environment for SAP S/4HANA in the IBM Cloud®—enabling us to start work immediately, without waiting for the AWS infrastructure to be ready.”

Initially, IBM worked side-by-side with the Galp project team. Midway through the project, the COVID-19 crisis struck. As a national lockdown closed offices across Portugal, both teams were forced to switch to remote working.

“In the face of COVID-19 disruption, the IBM and Galp teams rose to the occasion with on-time delivery and remarkably few implementation issues to resolve,” continues Catarina Ceitil. “IBM strived to ensure we could drive our design, testing and training processes remotely, and everyone was driving toward the same goals at every step. The collaboration was a great success, and we succeeded in going live only one month later than planned.”

### Solution components

- AWS
- IBM® Cloud®
- IBM Services®
- SAP® B/W4HANA®
- SAP S/4HANA®





## Take the next step

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To learn more about IBM Services for SAP S/4HANA, please contact your IBM representative or IBM Business Partner, or visit [ibm.com/services/sap/s4hana](https://ibm.com/services/sap/s4hana)

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