



### Business Challenge

To accelerate international trade, maximize transparency in group-level reporting and support significant planned growth, Motul aimed to extend its European business model to its Russian operations.

### Transformation

Harmonizing business processes and deploying a single integrated ERP system has enabled Motul Russia to operate more efficiently and align its practices with those of other Motul Group companies.



**Julia Arslanova**  
Finance Director  
Motul Russia

#### Business benefits:

**3 days faster**  
to complete group reporting

**Harmonized**  
business processes and reporting with rest of Europe

**Cut 3 days**  
from monthly closing,  
enhancing responsiveness

**Achieved**  
on-time, on-budget SAP ERP  
deployment within tight  
deadline

## Motul Russia

### Harmonizing business processes for improved efficiency and speed

The Motul Group, headquartered in Paris, France, is a leading international player in the high-performance lubricant sector. The group has two divisions: Motul Automotive formulates, produces and sells lubricants for motor vehicles in more than 100 countries, while MotulTech is focused on lubricants for industrial applications.

Trading as "Motul Russia", LLC TecLub is the group's exclusive importer for the Russian and CIS market. Motul Russia was established in 2005 and today operates eight branches selling around 10 million liters of lubricants each year.

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Julia Arslanova, Finance Director,  
Motul Russia

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## Challenge in detail

To accelerate inter-company trade, maximize transparency in reporting and give its Russian operations the integrated information systems required to support significant anticipated growth in business volumes, the Motul Group aimed to extend its pan-European business model to Russia. Locally, Motul Russia was keen to undertake a digital transformation: consolidating a set of fragmented processes running across a mixture of software packages and spreadsheets into a fully integrated system for business management. In line with Motul's global IT strategy, the chosen approach was to deploy the SAP ERP application in Russia and to apply the core model used by Motul businesses throughout Europe. Given a tight deadline and the need to comply with Russian legal and fiscal regulations, it was imperative to find a transformation partner with deep experience of successful cross-border business transformation projects.

## Solution delivery

Motul engaged IBM® Global Business Services® to deploy the SAP ERP application, apply the core process and reporting templates, and adapt the solution to meet local requirements. The IBM team worked on the harmonization of business processes and suggested additional areas in which automation could be introduced via SAP iDocs. IBM advised on the legal and fiscal requirements for Russia, and how to combine these with the Motul core model. To ensure the rapid and smooth rollout of SAP ERP, IBM employed several accelerators developed during previous implementations. IBM also defined a new system landscape with a hierarchy of global and regional development/testing systems, and delivered group-wide standardization of master data maintenance.

## Striving for harmony

With its subsidiary in Russia using a local accounting solution to handle financials, backed by a raft of spreadsheets to handle processes such as controlling, supply chain and materials planning, the Motul Group could not easily monitor or compare performance with other geographies. Capabilities around client and profitability reporting were limited, and this was seen as an obstacle to the Russian organization's ambitious plan to double the number of customers it served. Equally, the parent company wanted to ensure adherence to global reporting standards by bringing data from Russia into its standard model.

Beyond financial and regulatory reporting, the Motul Group recognized that rolling out its global ERP model to its Russian business would also improve the efficiency, speed and accuracy of inter-company trade. While the group's high-tech production facility is located on the outskirts of Paris, France, the business is fully globalized, with sales to customers in more than 100 countries.

Given the long distances between the manufacturing sites and the numerous distribution points, the Motul Group has developed highly advanced logistics practices to ensure efficiency and enable just-in-time delivery. The transfer of stock between companies within the Motul Group is naturally a potential logistical bottleneck, and the manual nature of the ordering processes between Motul Russia and other group companies tended to exacerbate the challenges.

“IBM Global Business Services went beyond the original scope to keep the project moving and ensure that we hit the deadline.”

**Julia Arslanova**

Finance Director

Motul Russia

Julia Arslanova, Finance Director at Motul Russia, comments: “We were using the leading accounting software on the Russian market, which was well adapted to our local finance needs as a mid-sized business with no manufacturing activities. However, this solution was not harmonized with the core model used by the group, and most importantly, it was not the right solution given our plans to grow the business. For example, there were no integrated functions for controlling or purchasing, and our capabilities outside of finance – in areas such as sales and distribution – were relatively immature. For the most part, we were using spreadsheets rather than an integrated solution, and this meant that our operations were not as quick or transparent as we knew they could be. We also had fairly limited analytical capabilities: doing something like an analysis of consolidated margin by customer across a range of products required a lot of manual work. On the operational side, we wanted to enable

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**Emmanuel Poulain**

Group Controller  
The Motul Group

more responsiveness by increasing the digitization of our processes and enabling better visibility and awareness throughout the value chain. In short, we needed an integrated business management tool that would meet both local and group reporting objectives while also giving us the automation and analytical capabilities we needed for our future plans. All of this led to the directive to deploy SAP ERP applications, for which we had a very tight deadline of just nine months.”

## Choosing the right partner

In line with Group strategy, the Motul Group IT function recommended the implementation of SAP ERP with its core model, and helped the local Motul team in Russia to prepare for the project and select an implementation partner. Julia Arslanova explains the decision process: “During the RFP, IBM Global Business Services was the most proactive

of the three shortlisted vendors and also offered keen pricing. We are also very impressed with the proficiency and quality of the team in the final interview. Another critical factor was the domain expertise of IBM consultants for SAP financial accounting application – that was the most difficult part of the project, because we needed to meet the local requirements while respecting from the global model.”

A veteran of numerous similar cross-border SAP rollouts in Russia, IBM Global Business Services had also worked with the Motul Group IT function in the creation of Motul’s core model during the company’s 2007 SAP ERP application deployment in France. This gave the team additional insight into how best to adapt the local processes to meet the group-level requirements.

Adnan Karabegovic, CIO at the Motul Group, comments: “For legal reasons, we knew that we needed to keep certain data sets within the Russian borders, which meant deploying a local instance of SAP based on our core model. This is in contrast to our preferred approach, which is to host and manage the SAP landscapes for different business units centrally.”

“Given the tight deadline of nine months to complete the full rollout of SAP ERP, our focus was on rolling out the core functionality on time,” recalls Julia Arslanova. “We worked closely with a joint team of Motul Group IT experts and IBM consultants to precisely define both the current business processes and the desired future processes. Knowing that the adoption of new tools and processes during the transformation process would inevitably cause some disruption, we also worked hard to get all employees on board and supporting the project.”

## Accelerated success

After running brainstorming sessions with the Motul Russia team around the strategy and vision for its digital transformation, the joint Motul Group and IBM Global Business Services team prepared a detailed project plan, and suggested additional areas in which automation could usefully be introduced – for example, using SAP iDocs to replace email communications with warehouses. The IBM team also brought local knowledge, advising on the legal and fiscal requirements for Russia, and how to combine these with the equivalent requirements in the core model.

The Motul Group IT function installed the required technical infrastructure in Russia and then took a complete copy of the configuration of the main European SAP instance. Motul set this up as a sandbox system and used it to create the local production, test/development and QA environments. The copied configuration is kept up to date as changes – including patches and updates – are applied to the original European SAP instance. To help ensure a rapid and smooth rollout of SAP ERP, IBM Global Business Services used a number of accelerators developed and refined during previous implementations in Russia and elsewhere. These tried-and-tested accelerators included functional and technical specifications, documentation, system configurations and even program code.

## Benefits in detail

- Achieved on-time, on-budget SAP ERP deployment within 9-month deadline
- Transformed business processes through digitization
- Harmonized business processes and reporting with rest of Europe
- Automated numerous processes, enhancing speed and accuracy
- Accelerated supply chain processes and improved transparency
- Optimized inter-company trade through electronic data transfer
- Accelerated monthly financial closing by 3 days, increasing responsiveness to business change
- Gained new flexibility in generating and applying pricing models
- Built a platform and deployment model for potential future rollouts

## Key components

**Industry:** Chemicals & Petroleum

**Applications:** SAP ERP

**Services:** IBM® Global Business Services®

“The IBM team was fantastically well prepared, and brought the benefits of successful past SAP ERP implementations,” comments Julia Arslanova. “Whenever we needed to make adjustments in order to comply with a local requirement, they worked with our internal IT team to gain approval for the change requests.”

Adnan Karabegovic adds: “The IBM team were highly tenacious, helping us to overcome a number of challenges that cropped up during the course of the project, and to negotiate with other local partners to ensure we got the results we wanted.”

## Bringing the business together

To save time and effort, the joint project team proposed and delivered a quick-win solution for data consolidation in SAP CO-PA. Instead of requiring finance staff to manually transfer data from the Russian instance to the group instance, the team created an automated solution using SAP iDocs (a standard data structure for EDI). Similarly, the joint IBM-Motul team used iDocs to enable integration between the European and Russian systems for inter-company deliveries, such that the generation of a purchase order in Russia automatically generates the corresponding sales order in the relevant European country. This point of integration has also improved visibility of stock being transferred between companies in the group: when the goods in question are dispatched, the receiving company sees them as



“Stock in Transit” with all details in their materials management system (which was not previously supported by the core template).

Throughout the project, the IBM team tackled a number of communications and cultural issues – not least, ensuring that all of the group-level documentation was available in Russian rather than just in French. “IBM Global Business Services went beyond the original scope to keep the project moving and ensure that we hit the deadline,” says Julia Arslanova. “This including identifying and resolving issues with data quality in our stock management system.”

## High-speed rollout

Working with IBM Global Business Services and its own Group IT function, Motul Russia successfully achieved its targeted go-live date for harmonizing its business processes, reporting practices and systems with those of its parent company. The rollout of SAP ERP covers the core business processes across financial accounting, controlling, sales and distribution, and materials management.

By replacing its existing systems and spreadsheets with SAP ERP as a single, integrated platform for business management, Motul Russia can now operate in harmony with other European companies in its parent group. The standardization and harmonization of processes and definitions in the financial and controlling systems have increased transparency at the group level and reduced manual consolidation work.

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**Julia Arslanova**  
Finance Director  
Motul Russia

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At the local level in Russia, benefits are accruing from the new capabilities in controlling and supply chain management, as Julia Arslanova explains: “Using spreadsheets in the past was more time-consuming, and there was a risk of introducing errors. Today, with SAP ERP solutions the accuracy and precision of our data are both improved, and we can also easily get a helicopter view of where we stand on a monthly basis. The solution also boosts efficiency and transparency in inter-company trade, particularly in order creation .”

These examples of embedding greater situational awareness show Motul Russia’s ongoing digital reinvention, which is improving internal efficiency and responsiveness, and ultimately enabling a better experience for Motul’s customers. This, combined with improved reporting and analysis of the company’s business with each customer, will help Motul Russia achieve its plans for growth over the coming years.

## Reaping the rewards of automation

Thanks to the automated exchange of data via SAP iDocs between Motul Russia and its third-party warehouse, orders are handled more rapidly and accurately, and with less manual effort. As soon as Motul Russia generates the order, staff in the warehouse know exactly what to pick, pack and ship.

Julia Arslanova adds: “In the domain of material requirements planning, the rollout for SAP has certainly improved our stock and order management processes. In sales and distribution, it has enabled greater sophistication in the pricing model by allowing us to apply different bonus or discount schemes depending on our agreements with each individual customer. On the finance side, SAP CO-PA makes it much easier to monitor our profitability, and not only for finance employees but also for sales teams.”

Following the automation of inter-company procurement through SAP iDocs, including support for the “Stock in Transit” status, the extended supply chain is faster, more efficient and more transparent than before. Over time, this should reduce transportation costs and accelerate customer service.

## Local and global benefits

Motul Russia continues to report its sales and turnover volumes to the group on the first day of each month. With all the relevant numbers already in the local SAP ERP instance and in the correct format, this process is now completed three days faster than before. For monthly and annual closing, there are now more process steps to ensure compliance with global standards and practices, but again the numbers are already in the local system, eliminating some manual work and cutting the chance of human error.

Emmanuel Poulain, Group Controller at The Motul Group, comments: “The successful project to harmonize operations and systems in Russia with those in the rest of Europe has clearly reduced the time and effort required to compile consolidated performance figures at the group level. We no longer have to re-key data and the information we need is now accessible in real time. It is also immediately comparable with the figures we have from other country operations, because we are all ‘speaking the same language’ in finance terms. That’s very different from how things used to be, when we often needed to ask additional questions because the reports from Russia were effectively just a black box.”

He adds: “The process improvements both in Russia and at the group level have cut at least three days from our monthly financial closing. Having visibility of the consolidated information faster means greater responsiveness to new opportunities and the ability to act more rapidly on a better understanding of where the business is heading.”

Julia Arslanova concludes: “Our choice of IBM Global Business Services was a key success factor for our deployment of SAP ERP and our increasing digitization of business processes. With greater integration of business processes across different domains, we will be able to deliver even better value to our clients in the future, putting us in a strong position to meet our growth objectives. We really appreciated the professionalism, helpfulness and proactive nature of the IBM consultants, and their ability to keep our morale high even at challenging times in a complex project.”

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