



Business Challenge

To boost its food brands, Colombina aims to empower its field sales teams to help retail clients find the optimal mix of products and best promotions to drive sales—a tough analytics challenge.

Transformation

To prepare for transformation, Colombina used IBM® Rapid Move for SAP S/4HANA to slash the business downtime required to make the switch to SAP S/4HANA® compared to a traditional conversion approach.



Jesus Antonio Brand
CIO
Colombina

Business benefits:

12x
faster plant planning and management reporting

Identifies
optimal product mixes, helping retailers boost sales

8%
increase in revenues, building Colombina's brands and driving growth

Colombina S.A.

Combining the right ingredients to create a perfect recipe for business growth and customer delight

Headquartered in Cali, Colombia, [Colombina \(external link\)](#) is a global food company that aims to delight consumers with innovative, great-tasting products. Managing a large portfolio of fast-moving-consumer-goods brands, Colombina operates across Latin and North America, with manufacturing facilities in Colombia, Guatemala and Spain.

“Our work with IBM will empower us to optimize the inventories of hundreds of retail clients, helping both Colombina and its partners to boost sales and grow revenues.”

Jesus Antonio Brand,
CIO,
Colombina

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Moving with the times

Since 1927, Colombina has been the first name in Colombia for delicious candies, chocolates and baked goods. As consumer tastes have evolved, Colombina's product lines have changed with them—and today, the company manages a large portfolio of fast-moving consumer goods (FMCG) brands.

Consumers in Latin America are increasingly health-conscious, and Colombina recently launched an all-natural brand—named Colombina 100%—to cater to this emerging customer segment. The company saw smaller, independent retail stores as the ideal channel for the new product lines. However, competing for shelf space and customer attention in the crowded FMCG sector posed tough challenges.



Sensing the opportunity

While many of Colombina's target customers shop for groceries at smaller retailers, these stores tend not to have the capability to analyze sales, identify trending products, and maximize sales by ensuring the right quantity of each product is always available on the shelf.

If Colombina could enable its field sales teams to provide these capabilities on the retailers' behalf, it would be a powerful opportunity to boost sales, drive revenues and build its brands.

Like many world-leaders in the FMCG space, Colombina has relied for many years on its SAP ERP solutions to integrate its operations

from end to end—from production planning and factory management to the warehousing, logistics and distribution of its finished goods to retailers. As a first step, the company aimed to prepare its business systems for the intense analytics workloads.

Jesus Antonio Brand, CIO at Colombina, takes up the story, "We recognized that performing inventory and logistics planning on behalf of our retail partners was a perfect opportunity to build brand recognition with consumers across the country—especially for our new Colombina 100% products. At the same time, we knew that performing complex analysis at scale would place enormous demands on our existing SAP business systems."

Protecting critical systems

Colombina was confident that moving to cutting-edge [SAP S/4HANA](#) and [SAP BW/4HANA](#)® solutions would create the solid foundation for the next generation of business analytics processes. At the same time, it was vital to make the transition to SAP S/4HANA without any interruption to mission-critical business processes.

"Our company runs on data, and if our SAP solutions were to go offline at the wrong time, our operations would grind to a halt—an unacceptable business risk for Colombina," explains Jesus Antonio Brand. "To prepare the company for a

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data-driven future, we looked for a trusted partner that could help us transition to SAP S/4HANA with zero impact on the day-to-day business operations."

Selecting a trusted partner

After careful evaluation of several leading integration experts, Colombina chose [IBM Services](#) to steer its transformation from SAP ERP to SAP S/4HANA and SAP BW/4HANA.

The company was particularly impressed with the [IBM Rapid Move for SAP S/4HANA](#) offering.



Bringing together best-practice solutions, expertise and assets, together with software tools from transformation software company [SNP Group \(external link\)](#), IBM Rapid Move for SAP S/4HANA empowers enterprises to streamline the move from SAP ERP to SAP S/4HANA. In particular, [CrystalBridge® – The Data Transformation Platform](#) from SNP Group empowers businesses to move to the latest SAP S/4HANA solutions without multiple iterations of data migrations and SAP solution integrations.

“We only had a tight, four-day window of planned downtime to complete our move to SAP S/4HANA, and it was imperative to find a partner we trusted to hit that target,” continues Jesus Antonio Brand.

“We calculated that a traditional approach to the technical migration would have required at least six and a half days of work, which far exceeded our downtime window. IBM Rapid Move for SAP S/4HANA with CrystalBridge from SNP Group offered us an approach that cut the switchover process down to just two days—an incredible achievement given the technical complexities and large volume of historical data to move to the new SAP S/4HANA solution.”

Laying the groundwork

First, IBM Services worked with Colombina to perform an [IBM HANA Impact Assessment](#).

As well as identifying opportunities for data cleansing, this process helped the two companies to document the changes that would be necessary to replicate Colombina’s existing digital workflows in SAP ERP on the new SAP S/4HANA platform.

“The IBM HANA Impact Assessment helped us to reduce the total volume of data to be migrated to the new solution by 3 TB,” adds Jesus Antonio Brand.

“We knew that enhanced data compression capabilities from SAP S/4HANA would allow us to reduce our storage requirements after the migration, but limiting the amount of data to be moved over initially was a powerful benefit given the tight timelines involved.”

Benefits in detail

- Empowers small retailers to align their product mixes with local consumer preferences, projected to boost sales and build Colombina’s brands.
- Cuts business downtime involved in Colombina’s move from SAP ERP to SAP S/4HANA from 6.5 days to just 2 days—avoiding business disruption.
- Enhanced database compression in SAP S/4HANA shrinks Colombina’s business data from 22 TB to just 5.8 TB, reducing infrastructure costs.
- Reduces the time required to prepare plant planning and management reports by a factor of 12.
- Slashes time spent generating invoicing reports by 97 percent, freeing finance teams to focus on value-added activities.
- Reduces the cost of business and operations analysis and reporting by up to 10 percent.
- Contributes to eight percent business growth, with scope for further increases after the new inventory and logistics planning capabilities are live.

High-performance platform

To deliver a high level of compute and storage performance and extract maximum value from the new SAP S/4HANA solutions, Colombina engaged IBM to deploy a brand-new IT infrastructure, hosted and managed at an IBM data center. The new environment comprises [IBM Power® Systems S822 servers](#) running the [SUSE Linux Enterprise Server for SAP Applications](#) (external link) operating system, and connected to low-latency [IBM FlashSystem®](#) storage, built on [IBM Spectrum® Virtualize](#).

“We had already relied on IBM Power Systems servers to support our mission-critical SAP ERP solutions for many years prior to this project, and the managed services we received from IBM have been nothing short of excellent,” recalls Jesus Antonio Brand. “The combination of IBM Power Systems servers, IBM FlashSystem storage and the SUSE Linux Enterprise Server for SAP Applications operating system that IBM proposed gave us great confidence that we would have the reliability, availability and scalability to support our analytics workloads today and for years to come.”

With SUSE Linux Live Patching for Power, IBM can deploy SAP S/4HANA updates that affect the Linux kernel without the need to take critical systems offline for maintenance. Combined with the SUSE Linux Enterprise High Availability Extension, the new solution helps ensure that Colombina’s business systems are online 24/7.

Flexible financing

With a payment deferral option provided by [IBM Global Financing](#), Colombina was able to shift the funding for the project into its next financial year—enabling the company to move forward with the deployment immediately.

“We were keen to move forward with our SAP S/4HANA journey as soon as possible, and the payment deferral solution from IBM Global Financing enabled us to do just that,” comments Jesus Antonio Brand.

Going live on time

Working together with IBM Services, Colombina successfully made the switch from SAP ERP to SAP S/4HANA within its downtime window. As the next step toward its advanced analytics capabilities, the company is now working with IBM to integrate the SAP S/4HANA and IBM BW/4HANA solutions with a suite of SAP cloud solutions, including [SAP SuccessFactors®](#) for human resources management.

“In the future, we will use [SAP Commerce Cloud](#), [SAP Marketing Cloud](#) and [SAP Analytics Cloud](#) [external links] to empower our sales team to capture accurate, timely transaction data from our retail partners, and harness that data to identify the optimal assortments and promotions for each store,” continues Jesus Antonio Brand. “By combining this data with production plans in SAP S/4HANA and logistics schedules in [SAP Transportation Management](#), we will be able to ensure we can manufacture and deliver the optimal products to the right stores to capture every opportunity.”



Reaping the benefits

While Colombina's journey with SAP S/4HANA is just beginning, the company is already measuring significant benefits of moving to the new data platform.

"Since we worked with IBM Services to move to SAP S/4HANA, we've slashed reporting times across the board," says Jesus Antonio Brand.

"In our finance department, we can now produce invoicing reports 97 percent faster. In addition, SAP S/4HANA allows us to create plant planning and management reports 12-times faster, freeing our teams to focus on value-added activities."

He continues, "Overall, we believe we have reduced the cost of business and operations analysis and reporting by up to 10 percent. Even though we've not yet launched our new inventory and logistics planning capabilities, we've already measured an eight percent uptick in our revenue—an outstanding start to the project."

By embracing SAP S/4HANA, Colombina is also gaining the benefit of improved data compression, helping it to optimize its storage costs.

"Enhanced database compression in SAP S/4HANA has shrunk our database from 22 TB to just 5.8 TB," adds Jesus Antonio Brand. "This capability will be particularly important in the future, because we project our analytics data volumes will grow sharply in the years ahead."

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CIO
Colombina

Ready for the future

By partnering with IBM Services, Colombina is on track to capture customer insights that will help grow its brands and accelerate its growth in Colombia's competitive FMCG space.

"Our work with IBM will empower us to optimize the inventories of hundreds of retail clients, helping both Colombina and its partners to boost sales and grow revenues," concludes Jesus Antonio Brand.

"Data is the key ingredient for success in our industry—and with IBM Services, we've found the perfect partner to serve up actionable insights for our business."

Key components

Applications: SAP® BW/4HANA®, SAP S/4HANA®, SAP Analytics Cloud (external link), SAP SuccessFactors®

Software: IBM® Spectrum® Virtualize, SUSE Linux Enterprise Server for SAP Applications (external link), SNP CrystalBridge® — The Data Transformation Platform

Hardware: IBM Power® Systems S822, IBM FlashSystem®

Services: IBM Global Financing, IBM HANA Impact Assessment, IBM Rapid Move for SAP S/4HANA, IBM Services®

About the IBM and SAP Partnership

The strategic shift to the cloud and to intelligent technologies isn't easy, but it's how businesses of all sizes will create exceptional customer experiences, uncover new revenue opportunities, optimize investments and fundamentally reinvent how business gets done. SAP and IBM offer the innovations and industry expertise to help.

SAP provides the world's leading intelligent applications and technologies – connecting and clarifying the data that makes processes more nimble and decisions more powerful. IBM helps build smarter businesses and is a global leader in SAP transformations – offering in-depth industry experience, cloud and on-premise deployment expertise, and game-changing intelligent technologies.

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