

SAP Customer Success Story

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Cindy Varner, Procurement Business Process Steward, Dow Corning



DOW CORNING CORPORATION

SAP® RAMP-UP PROGRAM CUTS UPGRADE TIME SIGNIFICANTLY AND SAVES SUPPORT COSTS

“We had functionality in SAP® Enterprise Buyer Professional (SAP EBP) that we used and enjoyed in the old version. But support for it was running out. One new version had already been released to mass shipment, and another was on its way. Should we do two upgrades sequentially, or pay for extended support, or go without support waiting for the next release to get into unrestricted shipment?” These were the options as described by Randy Barkley, manager, business process and information technology, Dow Corning Corporation.

And which approach did the company take? The answer: none of the above.

Dow Corning opted for a different approach. It compressed the upgrade sequence by signing on to the SAP Ramp-Up program for mySAP™ Supplier Relationship Management (mySAP SRM), which contains comprehensive functionality for strategic sourcing, operational procurement, and supplier collaboration. In the process, the company avoided all the support costs that would have been associated with maintaining an obsolete version or performing a sequential upgrade. What’s more, it reduced upgrade time significantly compared to the benchmark for comparable upgrades.

AT A GLANCE

Company Name

Dow Corning Corporation
www.dowcorning.com

Industry

Chemicals (industrial)

Key Challenges

- Upgrade obsolete e-procurement solution
- Become early adopter of new solution

Implementation Partner

Internal IT

Solution and Services

- SAP® Ramp-Up program
- mySAP™ SRM

Existing Environment

- SAP EBP
- SAP R/3®
- SAP BW (part of SAP BI, a component in the SAP NetWeaver™ platform)
- SAP APO

Implementation Highlights

- Completed project in 10 weeks (from CD installation to go-live)
- Involved simultaneous global go-live
- Significantly outperformed benchmark for comparable upgrades

Key Benefits

- Had direct assistance from development people
- Quickly leveraged existing SAP investment
- Saved money by telescoping upgrade path

Hardware

Sun/Fujitsu

Operating System

Solaris

“From the time we installed the CDs to the go-live date: 10 weeks,” says Barkley. “It would have taken other companies significantly longer, according to the benchmark value.”

PURCHASE ORDERS VERSUS E-PROCUREMENT

Dow Corning is a \$2.87 billion company in the industrial chemicals business, specializing in silicone-based materials. Headquartered in Midland, Michigan, it offers some 7,000 products and services to 25,000 customers worldwide.

Procurement at Dow Corning takes place in a variety of ways, but the two most prominent are through purchase orders via the company’s SAP R/3® system and, alternatively, through the operational procurement capabilities of mySAP SRM.

E-commerce provides system-to-system connectivity with vendors. It enables Dow Corning to reduce the number of suppliers, and dramatically reduces the transaction costs associated with procurement – because an electronic purchase order is effectively self-service (it costs just \$25 to complete, while an SAP R/3 purchase order comes in at \$125). It’s no surprise, then, that Dow Corning wants to keep its e-procurement system in the highest state of evolution.

DECISION TIME

When its existing SAP EBP system became obsolete, Dow Corning had to make a decision. “SAP EBP 2.0C was not going to be supported any longer,” recalls Cindy Varner, procurement business process steward at Dow Corning, who served as the upgrade project leader.

“We went to SAP Ramp-Up because it gave us the opportunity to be an early adopter,” says Barkley. “And it gave us the advantage of leap-frogging our releases of the enterprise procurement

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software. We ran an old version until it was basically dead, and then we jumped two versions ahead. In essence, we avoided one upgrade. That’s where it saved us money.”

EXCEPTIONAL CONSULTANTS

The SAP Ramp-Up program provided Dow Corning with other benefits. “One of the advantages is that it’s structured,” says Barkley. “It kept the project team focused on the scope in order to get it implemented on time. SAP also has some very good technical people that they bring to bear when you’re going through your SAP Ramp-Up process. That helps make it efficient. The process works very well because you have this dedicated team working with the host company.”

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“With support from the SAP Ramp-Up process, the implementation went extremely smoothly,” says Barkley. “And the immediate impact on the users was nominal. The only thing they noticed was the improved look and feel of the new solution.”

The upgraded procurement solution with mySAP SRM went live simultaneously to some 1,200 users in the United States, the U.K., Belgium, and Germany.

FUTURE PARTICIPATION

Dow Corning has plans to extend the operational procurement software. It is considering implementing the solution at different sites around the world, specifically Asia. And it’s investigating other mySAP SRM functionality, as well.

“I think SAP Ramp-Up is a good program to get involved with,” concludes Varner. “It has many inherent values. We’re currently evaluating the next version of mySAP SRM and would consider the ramp-up program again should the opportunity arise.”

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50 069 730 (04/08)

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