

## SAP Customer Success Story Chemicals



**“SAP Consulting project management helped our team members – representing almost a dozen different nationalities – communicate with one another. This was crucial to the overall success of the project.”**

Biagio Caetano, Chief Information Officer, Adubos Trevo

### AT A GLANCE

#### Summary

Adubos Trevo – one of the leading Brazilian fertilizer manufacturers – needed to overhaul its IT infrastructure in order to remain competitive, streamline business processes, and prepare for growth. It chose enterprise resource planning (ERP) software from SAP and enlisted the help of SAP® Consulting and the organization’s project management team.

#### Web Site

[www.adubostrevo.com.br](http://www.adubostrevo.com.br)

#### Key Challenges

- Reduce long raw-materials lead times due to geographically diverse operations
- Enable company to comply easily with increasingly stringent legal and fiscal requirements
- Gain better control over processes
- Reduce IT maintenance costs
- Free company teams from routine tasks and eliminate complexities

#### Project Objective

Replace outdated IT system with new, automated ERP solution

#### Solutions and Services

- SAP R/3® Enterprise, functionality now available in mySAP™ ERP
- SAP Consulting project management services, including project coordination, training, time and work-plan management, status reporting, progress monitoring, and quality assurance

#### Why SAP Solution

Met company’s comprehensive range of requirements

#### Implementation Highlights

- Implemented solution in just 9 months, covering 300 users
- Completed project within budget and estimated schedule, without interrupting normal corporate activities or delaying orders

#### Key Benefits

- Automated key business processes
- Enabled online, real-time information delivery
- Gained flexibility to accommodate customer needs
- Enabled faster, more accurate materials forecasting and product pricing
- Exceeded financial goals by 62%
- Increased sales volumes by more than 16%
- Surpassed expected return on investment by 36%

#### Implementation Partner

SAP Consulting, an SAP service

#### Existing Environment

Non-SAP software

#### Database

Oracle 9.2

#### Hardware

RISK IBM

#### Operating System

IBM AIX 5.2

## ADUBOS TREVO

**One of Brazil’s Largest Fertilizer Companies Automates Key Production Processes with SAP® Software for Enterprise Resource Planning and Enlists the Help of SAP Consulting**

Adubos Trevo – one of the leading Brazilian fertilizer manufacturers with a yearly capacity of two million tons – needed to overhaul its IT infrastructure in order to remain competitive, meet new demands, improve the speed of business processes, and prepare for growth. No simple task. But that’s why the company chose SAP® R/3® Enterprise software – functionality now found in the mySAP™ ERP solution – and enlisted the help of SAP Consulting to work with its multicultural project team.

It all started in 2000 when Adubos Trevo was acquired by one of the world’s largest fertilizer makers, the Norwegian multinational Hydro (formerly called Yara). As a result, management had high expectations for the company’s ability to compete in the Brazilian marketplace.

### Challenges of Time and Space

But Adubos Trevo was hindered by its out-of-date IT. In many cases, information from one area of production had to be batch processed in order to update another area. For instance, it took too long for Adubos Trevo to integrate its sales performance data with its production planning system.



ADUBOS TREVO



“This was a challenge because of the geographical diversity of our suppliers and production facilities,” says Biagio Caetano, chief information officer for Adubos Trevo. “We buy raw materials from all over the world – Africa, Europe, and the United States. And we have manufacturing facilities all across Brazil. But our customer orders can come in at any time. So keeping our stocks of raw materials current is a major challenge.”

Adding to this challenge is the fact that it can take almost 45 to 60 days between the time Adubos Trevo places an order for raw materials and the time that order is delivered. And it may take another several days to transport the raw materials to the appropriate plant in Brazil.

**“. . . SAP Consulting also helped enormously in bringing together all the different cultures and interests of our project team and in making sure that local training was successful.”**

*Biagio Caetano, Chief Information Officer, Adubos Trevo*

“Our customers place their orders by the season, which is helpful to our planning,” says Caetano. “But our pricing is relatively fluid. It can change, depending on currency exchange rates. So customers may wait until the exchange rate changes and then place a huge order. Moreover, the exact makeup of the order may change from month to month. Our customers do regular chemical analyses of their land, and they specify the exact chemical makeup of the fertilizer they want. So it’s up to us to be able to give them that – it amounts to a custom product that they want delivered immediately.”

### **The Key to Growth**

The company had several strategic goals in mind when it made the decision to revamp its IT infrastructure: first, it wanted to gain full control of operations and automate processes; second, it needed to free company teams from routine processes; and third, it wanted a better flow of strategic data and consistency between information and corporate goals to support and enable growth.

In addition, the Brazilian companies were facing more stringent legal and fiscal requirements. For instance, the Brazilian government was now requiring that companies document import and export of raw materials at all times. And investment banks were asking for real-time visibility into the company’s financial operations.

In response, Adubos Trevo decided to implement a full range of capabilities from the SAP software for enterprise resource planning. The solution went live just nine months later. Since then, Adubos Trevo has improved its key business processes across the board, from raw-materials forecasting to customer pricing and financial visibility.

In fact, Caetano notes that the new IT infrastructure was one of the key enablers in helping Adubos Trevo accomplish substantial growth the following year. According to 2004 numbers, Adubos Trevo’s sales volume increased by more than 16%, and the company’s financial goals were exceeded by 62%. The company also experienced more than a 36% return on investment.

### **Making It Look Easy: SAP Consulting**

As any chief information officer knows, however, rebuilding a complete IT infrastructure presents its own set of challenges – especially for a major corporation like Adubos Trevo, which generates more than US\$400 million in annual revenues (2003).

For Adubos Trevo, these included user training – difficult because of the geographic diversity of its plants – and communication.

“As an example, the IT project team was made up of professionals from 11 different countries with 11 different cultures,” says Caetano.

Adubos Trevo asked SAP Consulting project management to come on board to helm the project. SAP Consulting became, in effect, the prime contractor, managing local consultants where appropriate and applying a project management methodology to the implementation. This methodology covers everything from end-to-end project coordination to project planning, requirements definition, quality assurance, and administrative closure.

“The methodology was important,” says Caetano, “because it kept everyone focused on the task at hand. But SAP Consulting also helped enormously in bringing together all the different cultures and interests of our project team and in making sure that local training was successful.

“SAP Consulting project management helped our team members – representing almost a dozen different nationalities – communicate with one another. This was crucial to the overall success of the project,” he says. “The consultants also offered us guidance throughout the implementation; they proposed solutions and alternatives that helped us greatly and many times helped resolve bottlenecks in the project.”

Additionally, SAP project managers helped Adubos Trevo with time management, work-plan management, status reporting, progress monitoring, and quality assurance.

Says Caetano, “The expertise of SAP consultants and the partnership of SAP were the predominant factors in the results we achieved. SAP helped us perform the technological update and set our forward-looking vision, and allowed our corporation to concretely meet its bottom line.”

### **Preparing for the Future**

Adubos Trevo is well prepared for its future. Thanks to its IT infrastructure, Adubos Trevo has been able to reduce its planning times and respond to market demands with greater accuracy and flexibility – a clear advantage in the part-commodity/part-custom fertilizer markets of Brazil.

“We now have an IT infrastructure that we can build on easily, with full confidence in its construction and performance potential,” says Caetano.

[www.sap.com/contactsap](http://www.sap.com/contactsap)

THE BEST-RUN BUSINESSES RUN SAP™



50 073 274 (05/03) Printed in USA.

© 2005 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary. Printed on environmentally friendly paper.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.