

SAP Customer Success Story

Colgate-Palmolive is a U.S.\$9.3 billion global consumer products company, serving people in more than 200 countries and territories. Part of Colgate's winning IT strategy focuses on how data affects expenses, resources, and efficiency. That's why Colgate uses data archiving, which is part of the life-cycle management capabilities of SAP NetWeaver™. Now, databases are streamlined for better system performance and availability, which helps the company reduce costs.

 COLGATE-PALMOLIVE COMPANY



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DATA ARCHIVING SERVICES PROVIDED BY SAP NetWeaver™ HELPS CONTROL DATA GROWTH TO LOWER COSTS, IMPROVE PERFORMANCE, AND INCREASE SYSTEM AVAILABILITY

Colgate-Palmolive has been a winning company with a remarkable record of 24 consecutive quarters of sustained profitability. A key factor to its success today has been an IT strategy that has helped Colgate run its global business more cost effectively. This strategy included a worldwide rollout of mySAP™ Business Suite – a family of open, integrated solutions that manages the entire value chain. However, along with this rollout came a critical acknowledgement of the role that data plays in terms of expense, resources, and efficiency. That's why Colgate deployed the data archiving tools that are part of the life-cycle management capabilities of SAP NetWeaver™, the integration and application platform from SAP. The life-cycle management capabilities of SAP NetWeaver provide comprehensive technology for managing all stages of the solution life cycle – from design, development, and deployment, through ongoing operations, such as administration, change management, and data archiving.

MANAGING MASSIVE AMOUNTS OF DATA

As a global company that manages complex supply chains, worldwide sales and marketing programs, and thousands of transactions every day, Colgate saw how its data could grow significantly. For example, the company estimated that in its pet food division alone, Hill's Pet Nutrition, the total database size would have gone from 2.5 terabytes to 4.0 terabytes between January 2001 and January 2003, had it not implemented data

archiving. Since an overload of data is extremely costly in terms of storage, people, and system performance, Colgate knew it needed to implement a disciplined data growth strategy.

“That’s why we chose to use the data archiving solution offered by SAP,” says Jim Capraro, director of Colgate-Palmolive’s Enterprise Service Center. “We were able to reduce database growth in our pet food division by more than three quarters, from about 70 gigabytes per month to around 17 gigabytes per month.

“Managing the size and volume of our data has always been a top priority for us, and doing it successfully has meant significant savings. . . . That’s one reason why we have a global IT strategy, which includes following a very disciplined approach in developing data.”

Ed Toben, CIO, Colgate-Palmolive

That’s quite a savings.” Hill’s Pet’s total online data holdings are now less than 1.5 terabytes, and with 2.5 terabytes of archived data, 60% of this division’s overall data holdings resides in archive files. “Now, much less data has to be mirrored and copied to different systems,” says Capraro. The company’s data management strategy has translated into dramatically lower data volumes and a great deal less data redundancy.

WORRY-FREE DATA ARCHIVING

“We chose SAP data archiving because it provided a secure and reliable way to handle our data management requirements,” says Capraro. Data archiving with SAP NetWeaver is an online process that handles the company’s “business-complete” data, which is data no longer needed in its everyday business processes. A two-step procedure ensures safety and load distribution. The first step ensures that only the business-complete data is

archived. In the second step, the system reads the archive file and deletes only those objects from the database that have been written to the archive file. Data is then transferred to a storage system for long-term archiving. Although the data has been deleted from the database, Colgate can still easily access it at any time.

CONTROLLED DATA GROWTH TO ENSURE SUCCESS

“Managing the size and volume of our data has always been a priority for us, and doing it successfully has meant significant savings,” says Ed Toben, Colgate-Palmolive’s CIO. “An overflow of data can have a costly ripple effect. That’s one reason why we have a global IT strategy, which includes following a very disciplined approach in developing data.”

“[With the SAP data archiving solution] we were able to reduce database growth in our pet food division by more than three quarters, from about 70 gigabytes per month to around 17 gigabytes per month. That’s quite a savings.”

Jim Capraro, Director, Enterprise Service Center, Colgate-Palmolive

This approach has worked: Colgate’s total data holdings are just over 50 terabytes, an amazing accomplishment for a global company of its size. “SAP helps us archive data intelligently,” says Toben. “That means we try to work with only the data that we need. Bigger isn’t always better when it comes to databases and IT systems.”

CONSOLIDATION WITH EXTENDED BENEFITS

Part of its strategy to keep its data from growing too fast was merging all of its 75 data centers into just one, with a second center as backup. When it reduced its data centers, Colgate saw itself breaking new ground. “For us, fundamental performance and reliabil-

ity are critical to making it all work. We've consolidated the technical infrastructure of the data center and networks, with the core support for the applications still with each division. And with data archiving, we have been able to control our data growth."

Toben and Capraro knew from the beginning that success would mean efficiently managing growth in servers and avoiding continued investments in database storage. "We've seen other benefits by managing the size of our database," Toben acknowledges,

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citing that Colgate has observed noticeable improvements in system performance and response times. "Employees can do more work in shorter periods of time." System maintenance operations take less time as well, which means better system availability. This is critical since a lengthy shutdown can easily cost millions of dollars.

COMMITMENT AT THE HIGHEST LEVEL

"Data archiving helps give us a competitive advantage," says Capraro. "Our systems are leaner and more efficient, which improves all areas of business." A major part of Colgate's data archiving success includes the close coordination between its international divisions. The archiving support staff holds conference calls on a regular basis to discuss different issues regarding its ongoing archiving projects and to coordinate its efforts. The driving force behind the company's data archiving strategy has been its executive management team. The team recognized that, given the company's size and the complexity of its business model, Colgate-Palmolive could not do without data archiving, and therefore promoted it since the very beginning.

The IT department takes pride in its accomplishments. "We're happy to be part of Colgate's success," Toben says. With Colgate-Palmolive's tightly integrated system, about 95% of the company's revenues around the world are running mySAP Business Suite. "We plan to implement data archiving into other areas," says Capraro. "The mySAP Business Suite globalization project is driven by standards and our strategy is to have the same systems with the same information everywhere in the company.

ABOUT SAP NetWeaver

The data archiving tools form part of the life-cycle management capabilities of SAP NetWeaver, the integration and application platform designed to unify and align people, information, and business processes across technologies and organizations. SAP NetWeaver is a comprehensive, integrated, Web services-based platform. Preconfigured with business content, it helps reduce the need for custom integration. Unlike other

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platforms, SAP NetWeaver is interoperable and extensible with Microsoft.NET, IBM WebSphere, and J2EE, which help leverage existing IT investments in systems and skills. These qualities, put together, result in significant reduction in the total cost of ownership not only for SAP solutions but also for the entire IT landscape. SAP NetWeaver provides the technical foundation for all SAP solutions and select partner solutions and enables the enterprise services architecture.

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