

## SAP Customer Success Story Consumer Products – Alcoholic Beverages



**“The road map gives us the best way to map Diageo’s business processes in terms of SAP’s architecture. This gives us the framework in which to look at potential architecture in a consistent way.”**

Rob Monk, Global Strategy and Business Architecture Director, Diageo

### AT A GLANCE

#### Summary

Diageo, the world’s leading premium drinks company, used SAP® Consulting to help guide its implementation of mySAP™ Business Suite and SAP NetWeaver® and move toward a services-oriented architecture.

#### Web Site

[www.diageo.com](http://www.diageo.com)

#### Key Challenges

- Understand how business processes could be most efficiently and effectively deployed
- Architecturally join up global corporation that was built as a result of major mergers and acquisitions
- Reduce complexity and customization of business applications

#### Project Objective

Migrate heterogeneous IT infrastructure to a single vendor-based architecture to achieve greater flexibility to support business requirements

#### Solutions and Services

- SAP NetWeaver platform
- mySAP Business Suite family of business solutions
- SAP Consulting for implementation services

#### Why SAP Solution

- Supported company’s choice to implement end-to-end processes based on SAP software
- Enabled company to gain a deeper understanding of mySAP Business Suite and SAP NetWeaver

#### Implementation Highlight

Worked with Diageo’s service partners to create an architectural road map

#### Key Benefits

- Provided a deeper understanding of the current and future use of the SAP software
- Helped company identify how business processes should change over the next 5 years
- Identified how SAP NetWeaver components could be used to provide early and longer-term strategic support for new process requirements and applications
- Helped determine the most appropriate architecture for the future SAP landscape
- Identified the future SAP landscape’s impact on Diageo’s current IT infrastructure, architectural governance, and skill sets

#### Implementation Partners

SAP Consulting

#### Existing Environment

Heterogeneous, non-SAP landscape

## Diageo plc

### SAP® Consulting Helps Guide Diageo’s Implementation of mySAP™ Business Suite and SAP NetWeaver®

“I approach architecture from a business perspective,” says Rob Monk. Diageo’s global director of strategy and business architecture is talking about why the company initiated its SAP® software-based project, adding, “Diageo’s IT needed to be simpler, more agile, and more flexible to respond to market needs.”

Headquartered in London, Diageo is the world’s leading premium drinks business. With its global vision and local marketing focus, Diageo brings to consumers an outstanding collection of beverage alcohol brands across the spirits, wine, and beer categories including Smirnoff, Johnnie Walker, Guinness, Baileys, J&B, Captain Morgan, Cuervo, and Tanqueray, and Beaulieu Vineyard and Sterling Vineyard wines. Diageo trades in some 180 countries around the world and is listed on both the New York Stock Exchange (DEO) and the London Stock Exchange (DGE).

#### To the Future: New Directions

Diageo’s current market position was won through a series of mergers and acquisitions. One result of the company’s fast-paced growth was a heterogeneous IT infrastructure composed of various non-SAP applications, some of which were being independently deployed by different business units. This made integration extremely difficult. So, to meet these challenges head-on, the company devised a long-term strategy to unify the diverse systems found in all its divisions and to standardize processes company-wide. Consolidating the company’s systems was the only way for Diageo to evolve and improve IT support for the business. Furthermore, by reducing complexity and gaining flexibility, Diageo would be able to become more agile and lower its costs.

Enterprise Services Architecture, SAP's blueprint for service-based, enterprise-scale business solutions, became an important part of the company's strategy, along with components from the SAP NetWeaver® platform (the technical foundation for Enterprise Services Architecture) and software from the mySAP™ Business Suite family of business solutions.

### **Business Goals and IT Challenges**

Diageo's aim was to sustain its leadership position while expanding into new markets. Even though the company's IT strategy was simple to outline, it seemed difficult to implement. The tasks included facilitating a focus on growth in North America; containing costs in European markets; driving expansion in newer markets such as Russia, China, and Brazil; and supporting regional needs and aiding local markets in sharing business functionality.

While the company's IT approach made sense on a local level, Diageo faced the challenge of increasing the speed and efficiency of its overall operations. The problem was: how could Diageo evolve the existing multitude of enterprise resource planning, customer relationship management, supply chain management, and other customized solutions that had been deployed across the decentralized company's infrastructure?

Following the signing of a new SAP license, Diageo's architecture team began working with SAP Consulting to devise a road map that would act as a guide to Diageo's implementation of mySAP Business Suite over the next five years. The road map could also help the company determine how to make optimum use of SAP NetWeaver – SAP's open integration platform – and facilitate the company's understanding of Enterprise Services Architecture.

In brief, Enterprise Services Architecture is a design concept more than simply a piece of software that can be bought and installed. Like learning the rules of grammar, speaking the language of Enterprise Services Architecture is a gradual process. With a tool so powerful, a business must first determine what needs to be said. Businesses need to learn where to deploy it and how to organize its implementation.

Although the SAP consultants initially focused on Diageo's business processes, they also used the road map to lay out requirements for new IT structures. As such, Diageo views the road map as the birth of its IT architectural governance.

### **Creating the Road Map**

With such a comprehensive scope for the road map, Diageo had to ensure that all of its service partners worked with SAP Consulting. Each partner had a clear domain, and expertise was shared among them all. "SAP Consulting was the natural choice because of the consultants' deep extensive knowledge of SAP products and the proven methodology they brought to the project," says Monk.

Creating such a road map is a challenging undertaking that involves research, analysis, and detailed knowledge of how business processes are designed and how they are supported by IT. Armed with advanced consulting methods and a firm

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**Rob Monk, Global Strategy and Business Architecture Director, Diageo**

knowledge of the software that will drive the next phase of Diageo's growth, SAP Consulting worked with Diageo and its partners to construct just the right road map.

SAP consultants helped deliver the road map over a three-month period. To capture Diageo's business requirements, SAP Consulting conducted a series of workshops. As a result, Diageo's process owners and IT managers gained a true understanding of the current and future use of mySAP Business Suite and SAP NetWeaver, as well as how the company's business processes should change over the coming years. These Diageo employees also participated in establishing the criteria for the

design and deployment of mySAP Business Suite–based business processes, while gaining clear insight into the short- and long-term strategic benefits of SAP NetWeaver components. And finally, they got a clear picture of the role Enterprise Services Architecture would play in the company’s future.

The workshops also helped illustrate the impact of the new SAP landscape on Diageo’s current IT infrastructure, architectural governance, and skill sets, and helped identify new roles and responsibilities for steering the new architecture. In addition, the workshops enabled Diageo to determine the most appropriate logical and physical architectures for the future SAP landscapes, along with the scope and budget for establishing a new “shared” SAP NetWeaver environment.

Diageo came away with a five-year top-line plan for implementing mySAP Business Suite and SAP NetWeaver. Throughout this time frame, Diageo will install key SAP NetWeaver components, including SAP NetWeaver Portal – state-of-the-art portal technology that will allow employees, customers, partners, and suppliers to easily collaborate with one another and exchange critical information. Diageo will take advantage of a robust set of business intelligence tools – available in the SAP NetWeaver Business Intelligence component – so users can create interactive reports and applications. With the appropriate business trigger, Diageo will also take advantage of the SAP NetWeaver Mobile component, which will enable end users to interact with the company’s back-end system through mobile devices and a variety of other access methods. Also on the list: SAP NetWeaver Exchange Infrastructure, the component that unifies different interface technologies in a central runtime environment; the SAP NetWeaver Application Server component, which offers a complete environment for developing and running ABAP™- and Java-based enterprise software; and the SAP Solution Manager application management platform, which helps support the implementation, testing, rollout, and optimal operation of SAP applications. Diageo also plans to install the SAP NetWeaver Master Data Management component across the entire IT enterprise landscape. And finally, the company will implement the SAP Composite Application Framework tool, a new Java-based technology for creating new and orchestrating old applications by reusing existing functionality.

### **A Detailed Approach**

Diageo benefited from detailed reviews of architecture principles, governance requirements, and potential risks, as well as an illustrated implementation approach showing how the mySAP Business Suite solutions and SAP NetWeaver components would be connected at the end of Diageo’s wall-to-wall journey.

“The road map gives us the best way to map Diageo’s business processes in terms of SAP’s architecture,” says Monk, “In addition, the road map allows a significantly improved understanding of IT costs.”

### **Big Wins and Cost Savings**

As Diageo continues to follow the road map, it will gain the agility, efficiency, and speed to help maintain and expand its world leadership position.

Six months from now, the entire company will have shifted the way it deploys applications. Previously, the IS directors from each regional market spent a lot of time and effort understanding all the systems slated for installation, how to integrate them into the current system environment, and how to structure and calculate the cost of each implementation. That will no longer be necessary. Regional IS directors will be able to enjoy a framework that provides a clear understanding of the solutions available to them and all associated tasks and costs.

Diageo has realized and will continue to realize significant value from its investment in an SAP road map. Using this road map as a tool will change the way IS people at Diageo think about IT.

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