

SAP Customer Success Story High Tech – Manufacturing



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AT A GLANCE

Summary

Adaptec Inc. – a California-based provider of storage solutions – decided to consolidate and improve its multiple import/export and shipping systems. The company chose the SAP® GRC Global Trade Services application to provide the best solution.

Web Site

www.adaptec.com

Key Challenges

- Consolidate and improve processes for complying with global trade regulations
- Automate compliance processes and maintain flexibility for changing business conditions

Project Objective

Replace homegrown legacy systems with solution to automate compliance processes, flexible enough for future needs

Solution and Services

SAP GRC Global Trade Services

Why SAP Solution

- Functionality met Adaptec requirements for denied party screening and export license control
- Confidence in and strong relationship with SAP as a solution provider with global support
- Smooth path for revision changes and upgrades

Implementation Highlight

Easy integration with existing SAP R/3® software (functionality now found in the SAP ERP application)

Key Benefits

- Proactive avoidance of doing business with denied parties
- Standardized trade compliance processes across entire company
- Audit trail and complete traceability for compliance processes maintained by company
- Single, integrated system with more easily accessible electronic records
- SAP GRC Global Trade Services integrated along entire supply chain
- Minimized risk of noncompliance and associated costs

Implementation Partner

SAP Consulting

Existing Environment

SAP R/3 (functionality now found in SAP ERP)

Database

Informix

Hardware

Dell PowerEdge 2650, dual Xeon 3.06 processors with 4 GB memory, 136 GB hard drive (42 GB used)

Operating System

Microsoft Windows 2003

ADAPTEC

High-Tech Storage Leader Uses SAP® GRC Global Trade Services to Streamline Compliance with Trade Regulations for Its Overseas Business

When Adaptec Inc. – a California-based provider of storage solutions to many industries and agencies – decided to consolidate and improve the global trade compliance functionality of its multiple import/export and shipping systems, the company turned to SAP for the IT solution it needed.

Adaptec provides a complete suite of solutions that simplify storage deployments and allow organizations to easily upgrade to higher levels of capacity, data protection, and performance to meet their growing storage needs. Adaptec’s broad range of interoperable chips, add-in cards, and network storage arrays gives businesses a seamless migration path from internal to external storage.

Adaptec simplifies storage with a family of interoperable solutions that enable organizations to easily and cost-effectively scale storage across direct-attached and networked environments and a broad range of technologies – including SCSI, Serial ATA, Serial Attached SCSI, iSCSI, and Fibre Channel. All the products use a common management tool to simplify storage administration and reduce related costs.

Adaptec’s global trade has continued to change – with international shipments representing roughly half of its annual revenues. With the help of the SAP® GRC Global Trade Services application, the company has been able to standardize its trade compliance processes and expedite its cross-border trade. To help facilitate tighter national security, Adaptec also automatically screens its business partners to ensure that they are not on any restricted-party lists published by various governments.

Minimizing Risk, Stimulating Growth

Adaptec's global trade has also continued to grow in complexity – due to the number of parties involved, document requirements, and changing regulations. But, not too long ago, the company saw that its multiple import/export and shipping systems weren't keeping up.

"We were using three separate systems for export and import functionality and certain aspects of shipping," says James Arthur, business systems analyst at Adaptec. "There was limited support for these homegrown, highly customized systems, putting the company at risk of missing a shipment if a system should fail. Data maintenance was labor intensive and required synchronization with our SAP R/3 software. There was no scalability as the business was growing and diversifying – we couldn't easily support acquisitions and spin-offs," adds Arthur. (SAP R/3® software functionality is available now in the SAP ERP application.)

"Also, the existing systems could not keep up with the fast-changing global trade regulations," says Arthur. "Fortunately, this did not affect our current business practices, but it might have over time." Adaptec turned to SAP GRC Global Trade Services to standardize trade compliance processes, ensure full regulatory compliance with all entities in the export and import chain, and automate and expedite cross-border trade.

Implementing Screening and Export Controls

The implementation focused on two key business functions: denied party list screening and export control. Denied party list screening is a process that checks to ensure that business partners are not restricted by any government or regulatory agency. Export control checks for embargoes and performs automatic export license determination and management.

"Many of our orders, destinations, and business partners have to be screened the day of the shipment," Arthur says. "We now have that data in a single, integrated system for a more easily

accessible electronic record." That helps Adaptec track export and import activities for regulatory reporting. "SAP GRC Global Trade Services enables us to maintain an audit trail," says Daryl Becker, export compliance manager at Adaptec. "We have complete traceability as to who entered the classification, who checked it, who released it, and how it was released."

SAP Offers Integration, Flexibility, and Global Support

Adaptec chose SAP GRC Global Trade Services over the other solutions available in the market. "The key differentiator was the integration with our existing SAP software," Arthur says. "This ensures a smooth upgrade path as these systems go through their revision changes. SAP is also a solid company with global support." And SAP GRC Global Trade Services links tightly with Adaptec's SAP software. "The SAP GRC Global Trade Services application is integrated along the entire revenue stream and supply chain path and processes, from order entry through shipping and export," Arthur says.

"If we don't meet compliance regulations, we can lose export privileges and not be able to ship internationally, which represents roughly 50% of our company's revenue. SAP GRC Global Trade Services helps us meet these regulations."

Daryl Becker, Export Compliance Manager, Adaptec Inc.

SAP GRC Global Trade Services includes a standard interface for denied party list screening data. This allows for seamless update of content as and when it changes, ensuring that Adaptec stays current with the latest denied party lists published by various governmental agencies.

SAP GRC Global Trade Services also provides the flexibility Adaptec needs when business conditions change. "We are introducing new product lines that may fall under new export classifications," Arthur says. "SAP provides a solution that allows us to automate this new compliance requirement. We believe it has enough flexibility to support our changing business requirements, both now and moving into the future."

The compliance SAP GRC Global Trade Services supports is absolutely mission critical to Adaptec. "If we don't meet compliance regulations, we can lose export privileges and not be able to ship internationally, which represents roughly 50% of our company's revenue," says Becker. "SAP GRC Global Trade Services helps us meet these regulations."