

SAP Customer Success Story Consumer Products



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Jürgen Frick, Global Manager for Strategic SAP Programs and SAP Value Management Office, Gillette

AT A GLANCE

Summary

With 30,000 employees and 32 manufacturing facilities in 15 countries, Gillette is truly a global leader in the grooming, personal care, oral care, and batteries business. In 2005 Gillette merged with Procter & Gamble, forming one of the world's largest consumer goods companies. Although Gillette is headquartered in Boston, Mass., all its SAP activities are driven from the EMEA IT hub at Kronberg, Germany. Gillette created a stable and flexible integration platform by upgrading to SAP® software whose functionality is available today in the mySAP™ ERP solution

Web Site

www.gillette.com

Key Challenge

Prepare for the pending integration of the Gillette and Procter & Gamble IT systems and build a platform for current and future business growth

Project Objectives

- Create a robust and flexible platform to cope with integration needs
- Ensure continuous business operations during integration with Procter & Gamble

Solutions and Services

- mySAP ERP
- SAP NetWeaver® Business Intelligence component
- SAP Advanced Planning & Optimization component
- mySAP Supplier Relationship Management solution
- mySAP Customer Relationship Management solution
- SAP Active Global Support organization
- SAP Upgrade Coaching service

Why SAP Solutions and Services

- Years of experience and success with SAP solutions
- Maturity of the SAP solution
- Adaptable solution with integration capabilities

Implementation Highlights

- Upgraded complex system to mySAP ERP in only 7 months
- Managed parallel execution of various SAP projects
- Coordinated work of 17 external project partners

Key Benefits

- Did not impair business processes
- Created a highly flexible, agile platform that enables successful management of change
- Provided both high operational stability and system reliability
- Provided a platform for continuously realizing business benefits

Existing Environment

SAP software, functionality now found in the mySAP ERP solution

Implementation Partner

Larsen & Toubro Infotech Ltd.

Database

Oracle

Hardware

Sun

Operating System

Solaris

GILLETTE

Upgrade to mySAP™ ERP Solution Ensures Operational Stability and Flexibility for Successful Management of Change

There were a lot of happy faces recently in Gillette's IT department. Gillette was one of the world's first customers to upgrade to SAP® software whose functionality is available today in the mySAP™ ERP solution

That was cause enough for happiness; however, what really made people smile was that the upgrade was accomplished without any business interruption. “The intense planning and testing, the project management and staffing, and the incredible support from SAP and our implementation partners made this project a success,” says Elisabeth Wrona, Gillette's project manager for the upgrade.

Gillette: A Centenarian Global Leader

Founded in 1901 as a producer of safety razors and blades, Gillette has become a global company and a world market leader in various product categories. Today, Gillette operates 32 manufacturing facilities in 15 countries and employs more than 30,000 people.

The company's core businesses are grooming, personal care, and oral care products and batteries. Globally renowned brands such as Braun, Duracell, and Oral-B belong to the Gillette group. In 2005 Gillette merged with Procter & Gamble, forming one of the world's largest consumer goods companies.

A Complex and Tailored ERP System

In the decade since Gillette first installed its SAP software, the company has extended and rolled it out to additional countries, adapting and tailoring the landscape to the company's specific processes and requirements. Gillette's SAP software supports 2,500 active users and 5,000 named users in 25 countries in Europe, the Middle East, and Africa (EMEA). All SAP software activities for EMEA are driven from the organization's IT hub at Kronberg, Germany.

The Gillette landscape includes the mySAP Customer Relationship Management solution, the SAP Advanced Planning & Optimization component, the mySAP Supplier Relationship Management solution, a separate human resources installation, and a data warehousing component. The ERP software supports the major business processes at Gillette's commercial entities and production facilities, including finance, controlling, order management, procurement, logistics execution, production planning, research and development, engineering, and customer service processes.

"Using SAP solutions as a globally standardized IT and business platform has brought us numerous benefits, especially a high level of process and information integration and a very low total cost of operation," says Jürgen Frick, global manager for Strategic SAP Programs and SAP Value Management Office at Gillette.

Matching Business Requirements with IT Landscape

Frick and his team worked with SAP to decide on their IT strategy for the SAP software environment for the next five years. Matching Gillette's business goals and technical requirements clearly showed that a core element of the strategy had to be an upgrade to mySAP ERP. Convinced by the benefits of the state-of-the-art ERP solution from SAP, Gillette decided to be one of the world's

first customers to upgrade its large-scale SAP software installation for EMEA to the latest release of mySAP ERP. The project was named mySAP ERP Upgrade "Production Kronberg 1 (PK1)" after the German IT hub site where the upgrade project was initiated and managed.

Shortly after making this decision, Gillette and Procter & Gamble announced the merger of their companies to form one of the world's largest consumer goods companies. Naturally, this event had a major impact on the strategic direction of the PK1 project. The primary goal of the project was changed to creating a stable technical platform for the complete integration with Procter & Gamble's IT landscape. This was especially important since the

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PK1 landscape was most critical in all future business scenarios for the newly combined company. Frick and his team soon realized that the mySAP ERP solution and the SAP NetWeaver® platform were best suited to this challenge.

Sophisticated Project Management and Tremendous Support Ensure Success

Even though the EMEA SAP software system at Gillette is one of the world's most complex installations, the upgrade went smoothly, thanks to a combination of thorough and intense project staffing, planning, coordination, and management, and a close working relationship with experienced partners.

Based on thorough documentation of all business processes, the project team was able to define the requirements for the upgrade and develop a complete upgrade strategy. In addition, experts from the SAP training and education center held 12 in-house workshops with Gillette employees, explaining in detail the functional and technical enhancements that would result from the upgrade. “SAP was very flexible in providing us education perfectly tailored to our specific requirements,” says Wrona.

An additional success factor was the commitment shown throughout the entire organization. At the very early stages of the project, the project team began to communicate the goals and benefits of the upgrade to senior business management in various road shows. This early involvement helped the team to achieve the buy-in and support of Gillette’s business managers, resulting in a tight synchronization between business and IT. “The collaboration between business and IT departments was excellent,” says Wrona.

Gillette selected Larsen & Toubro Infotech Ltd. (L&T Infotech, Mumbai, India) as the main implementation partner for the upgrade. Because it had provided support for the SAP software during the previous three years, L&T Infotech staffed the project primarily with personnel who had a thorough knowledge of the software system landscape. This valuable experience was leveraged to foster the project success.

“The impressive commitment and deep knowledge of our processes and SAP applications that L&T Infotech brought to the project were key success factors,” says Birgit Rubin, manager of SAP Application Support, who is responsible for EMEA. In addition to L&T Infotech, which was responsible for the technical and functional upgrade, 16 other partners collaborated with Gillette on the PK1 project for specific topics.

Extensive Training and Testing Ensure Smooth Upgrade Execution

One of the project’s major challenges was ensuring that the upgrade did not impair or delay other projects. Since the SAP solution is used on a very broad functional and geographical scope within Gillette, the team planned to execute various SAP

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projects at the same time. The Global Integration Management (GIM) group, which was responsible for coordinating all these projects, was integrated into the PK1 team to align the projects. The GIM group was able to ensure that no other activity was disturbed by the upgrade. For example, an SAP software rollout for a newly built production facility in Poland occurred at the same time as the upgrade – without any impairment.

The SAP solution is a highly business-critical application and supports the major business processes at Gillette. This made it critical that the upgrade occur without disrupting the business processes or the productive system.

The project team set up an additional, project-specific test system where all the necessary steps could be executed. With this unique setup, the team was able to execute about 60% of all tests before it touched the productive system landscape. Building on the experience from the test system, the team created a detailed, step-by-step script for the productive system. Although the project was complex and challenging, the team was ready to execute the upgrade in only seven months.

During the whole project, the team received continuous support from the Gillette SAP Value Management Office and from the SAP Active Global Support organization, which were both always available to take care of customer requests. During the cutover itself, SAP Active Global Support provided an upgrade coach, an on-call performance expert, and a special weekend upgrade service. “Without the great support from SAP, we would not have been able to complete this project,” says Wrona.

The upgrade went live about two weeks after the merger between Gillette and Procter & Gamble had been completed. In addition, using the weekend upgrade service, the entire upgrade was planned to occur during just one weekend. The intense planning,

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training, and testing paid off, because the upgrade went smoothly and without any business disruption. “The PK1 project has shown that even complex SAP software systems can be upgraded without any business impairment and within a surprisingly short time frame,” says Frick.

A Flexible and Reliable Platform That Empowers Business Agility

Now with mySAP ERP live, Gillette is enjoying the various benefits of the new SAP solution. The PK1 project team is especially impressed by its stability – just what Gillette needs to support its mission-critical applications. “I was always very satisfied with the stability of our previous SAP solutions, but this is the most stable SAP software I have ever seen,” says Wrona. All users have accepted the new solution, especially since the system’s look and feel were not changed. In fact, user training was not even necessary.

Being well prepared for the future is what Frick and his team regard as the major benefit of the upgrade. “We now have a very stable and flexible platform that can perfectly adapt to our future needs, especially in light of our merger with Procter & Gamble,” he says. “We greatly benefit from the high stage of maturity and robustness of the SAP software.”

The IT department can now concentrate on how to integrate Gillette with Procter & Gamble’s IT landscape. Now that the technical foundation is built, Gillette can leverage the new functionalities of mySAP ERP. “Our management and our users understand that the upgrade was an important strategic leap forward for us and has made us ready for the future,” says Frick.

Meeting the Future Head On

Anticipating the changes that would result from the merger between Gillette and Procter & Gamble and implementing a highly agile business and IT platform have positioned Gillette to successfully cope with whatever the future holds. The superior openness and integration technology of the SAP NetWeaver platform empower Gillette to integrate both SAP and non-SAP applications. Company management is currently evaluating how SAP NetWeaver Exchange Infrastructure could be used to integrate the IT landscapes of Gillette and Procter & Gamble. With its upgrade to mySAP ERP, Gillette has paved the way for an integrated future that will allow it to flexibly adapt as its business evolves.