

## SAP Customer Success Story Chemicals – Monochloroacetic Acid and Chlorinated Intermediates



**“We picked SAP Best Practices for Chemicals because, as a smaller, independent company, it was the best solution for a rapid implementation.”**

Theo Geeroms, Chief Financial Officer, CABB GmbH

### AT A GLANCE

#### Company

- Name: CABB GmbH
- Location: Sulzbach, Germany
- Industry: Chemicals
- Products and services: Monochloroacetic acid and chlorinated intermediates
- Revenue: €150 million
- Employees: 300
- Web site: [www.cabb-chemicals.com](http://www.cabb-chemicals.com)
- Implementation partner: Accenture (Kronberg, Germany)

#### Challenges and Opportunities

- Lack of IT infrastructure and support for administrative, financial accounting, legal, and HR processes
- 12-month deadline for establishing new infrastructure after carve out from parent company

#### Objectives

- Rapidly install IT solution with built-in industry functionality
- Use preconfigured best practices for chemical companies to satisfy company needs

#### SAP® Solutions and Services

- SAP® Best Practices for Chemicals offering
- SAP ERP application
- SAP Recipe Management application

#### Implementation Highlights

- Fast 4-month rollout
- Implementation project supported by delivery center of implementation partner
- Interface to 3rd-party logistics provider

#### Why SAP

- Built-in chemical industry best practices, ensuring a speedy implementation
- Users' familiarity with SAP software from operations at previous parent company

#### Benefits

- Company's ability to operate as independent firm
- On time and within budget
- 20% reduction in IT costs, compared to previous share of IT as a subsidiary
- Streamlined operations (order-to-cash and procure-to-pay processes, production planning, quality management, finance administration, controlling, and corporate reporting)

#### Existing Environment

None – new company

#### Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: HP
- Operating system: Microsoft Windows

## CABB

### Best Practices Jump-Starts New Chemical Company in Four Months, Reduces IT Costs by 20%

Private equity firms roam the world looking for opportunities to create great returns on investment. When Gilde Buyout Partners identified a Clariant International Ltd. subsidiary as a market leader in specialty chemicals, it purchased the operation. The new company, CABB GmbH, had no support services of its own – no administration, no financial accounting, no legal or HR departments, no IT – and was given 12 months to disengage from its parent's systems. SAP® software and the SAP Best Practices for Chemicals offering enabled CABB to address the IT issue in four months.

“We picked SAP Best Practices for Chemicals because, as a smaller, independent company, it was the best solution for a rapid implementation,” says Theo Geeroms, chief financial officer at CABB. “We were able to reduce implementation time significantly because SAP Best Practices for Chemicals provides a template with all the business processes used in our industry. We gained a big advantage by not having to spend time configuring software to make it work for our business.”

SAP Best Practices for Chemicals makes it easier for companies to implement SAP enterprise resource planning (ERP) software for the chemicals industries. CABB implemented the SAP ERP and SAP Recipe Management applications to support order-to-cash and procure-to-pay processes, production planning, quality management, finance administration, controlling, and corporate reporting.

As CFO, Geeroms is particularly pleased with the reporting functionality. “When I come in each morning, the first thing I look at is the sales numbers. I can see margins, orders, everything I need to know about our 200 active customers and 300,000 tons of annual production output. This information is available online, any time I want it.”

Sulzbach, Germany-based CABB worked with partner Accenture to get this capability up and running quickly; Accenture is a global company offering management consulting, technology services, and outsourcing. Says Geeroms, “Accenture has a lot

**“We reduced IT costs by 20%, compared to our previous IT costs as a subsidiary.”**

Theo Geeroms, Chief Financial Officer, CABB GmbH

of experience with chemical industry business processes. The consultants worked with us on-site during blueprinting, gap assessment, and final testing. During the build phase, they went off-site to tailor and extend the industry-configured software to match some of our company-specific processes. This was a big help to us – there was very little disruption to our team, which was busy setting up the new firm.”

Accenture provides ongoing application management and hosting services from its delivery center in Kronberg, Germany. Between the rapid rollout and support from its outsourcing partner, CABB is realizing significant financial gains. “We reduced IT costs by 20%, compared to our previous IT costs as a subsidiary,” Geeroms says.

### **Complete Integration Across Business Processes**

CABB is a global leader in the production of monochloroacetic acid, a key component in downstream products like synthetic caffeine for soft drinks and cleaning ingredients in shampoos. It also produces chlorinated intermediates for the agricultural, pharmaceutical, textile, and cosmetics industries. All told, CABB delivers 30 substances to a wide range of customers who produce specialized chemicals for all areas of everyday life, in more than 50 countries worldwide.

Some 130 CABB users depend on SAP software for processing customer orders and for production planning, shipping, and invoicing. Salespeople receive customer orders in Germany, the United States, and South America. Reserved production slots, based on previous forecasts, are then adjusted to match the actual order requirements. Shipping and delivery are handled by a third-party warehouse and logistics provider; Accenture developed a direct interface between the SAP software and the logistics specialist. Says Geeroms, “Inventory records are maintained in the SAP enterprise resource planning software and the logistics provider’s system to expedite order fulfillment and delivery.”

Having carved out a strong presence in Europe and the Americas – and with the SAP software running smoothly – CABB is now positioned for expansion. CABB has plans to increase production capacity at its German manufacturing plants in Gersthofen and

**“SAP Best Practices for Chemicals and the ERP software gave us a strategic advantage. We have a proven system that can be implemented quickly when we develop business in other regions and open new offices and manufacturing plants.”**

Theo Geeroms, Chief Financial Officer, CABB GmbH

Knapsack, plus accelerate development of new application areas for its chlorinated intermediates. It will also explore partnership opportunities with Asian producers, with the support of an additional private equity investment from AXA Private Equity.

“SAP Best Practices for Chemicals and the ERP software gave us a strategic advantage,” Geeroms says. “We have a proven system that can be implemented quickly when we develop business in other regions and open new offices and manufacturing plants. With SAP Best Practices for Chemicals, we do not see any challenge, from the information technology perspective, in expanding worldwide.”