



NEWMARKET

PREPARING FOR THE FUTURE WITH SMOOTH UPGRADE TO SAP® ERP

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Steve Petersen, Chief Technology Officer,
NewMarket Corporation

QUICK FACTS

Company

- Name: NewMarket Corporation
- Location: Richmond, Virginia
- Industry: Chemicals
- Products and services: Petroleum additives
- Revenue: US\$1.3 billion
- Employees: 1,100
- Web site: www.newmarket.com
- Partner: CXI Inc.

Challenges and Opportunities

- Prepare for continued growth
- Position the company to take advantage of new software functionality
- Lay foundation for adoption of new applications
- Move toward implementation of an enterprise service-oriented architecture (enterprise SOA) and Web services
- Establish basis for improved business processes
- Improve supportability

Objectives

- Upgrade to the SAP® ERP application
- Minimize upgrade time and effort
- Avoid business disruption

SAP Solutions and Services

- SAP ERP
- SAP NetWeaver® Business Intelligence component
- SAP Advanced Planning & Optimization component

Implementation Highlights

- Completed upgrade in 4 months, on schedule and within budget
- Took advantage of new upgrade tool set from SAP, especially the upgrade assistant, to reduce downtime during cutover from days to hours
- Minimized customization
- Conducted extensive formal testing
- Experienced far fewer post-go-live usage issues than after previous upgrades

Why SAP

- Positive experiences in the past
- Power of new functionality
- Availability of add-on applications to improve planning and business growth
- Strong basis for enterprise SOA

Benefits

- Established foundation for ready incorporation of new functionality, applications, and services
- Enhanced supportability

Third-Party Integration

- Hardware: Hewlett-Packard
- Operating system: HP-UX



NewMarket Corporation, the parent company of Afton Chemical Corporation and Ethyl Corporation, recently experienced an exceptionally smooth, four-month upgrade to the SAP® ERP application. The project was performed by CXI Inc., an independent organization that provides a wide range of technical services to customers from its offices around the world and, like NewMarket, is headquartered in Richmond, Virginia. The project represented the first upgrade test for CXI, to whom NewMarket has outsourced its IT services since 2005.

Because of highly successful collaboration between NewMarket and CXI, the petroleum additives leader is now ready to continue its rapid growth with help from the most modern business software technology that SAP provides.

Supply Chain Challenges Require the Most Modern Technology from SAP

NewMarket, which had been running an older version of SAP software for several years, decided that the move to SAP ERP was necessary to support its continuing rapid growth. Afton Chemical, NewMarket's primary subsidiary, had grown by more than 50% in the last few years, and its plants were running at full throttle.

"To handle our growing business, we needed to improve the capacity of our supply chain, which meant reducing inventory, increasing efficiency, and providing the information necessary for making better business decisions," explains Steve Petersen, chief technol-

ogy officer at NewMarket. "Achieving these goals called for the very best in decision-making and planning help, and so we decided to adopt the latest ver-

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sions of the SAP NetWeaver Business Intelligence and SAP Advanced Planning & Optimization components, which in turn require the latest version of our core business software. We also wanted to get started building an enterprise service-oriented architecture and a set of Web services on top of it, and it only made sense to do it using the latest software from SAP."

Smooth Upgrade Leads to Painless Go-Live

NewMarket assigned a project manager to work with CXI, and together they developed a road map and a set of processes for the upgrade. The team front-loaded its effort on the project, spending more time than in the past building landscapes, preparing tests, and learning the latest upgrade tools from SAP. This strategy paid off when implementation and testing proceeded expeditiously and smoothly, culminating with a quick, disruption-free cutover four months later. "The new upgrade tools from SAP are amazing, especially the upgrade assistant," says Sujoy Sarkar, director of CXI's enterprise resource planning (ERP) division. "They allowed us to do all the preparation work for the cutover a week ahead of time, which reduced downtime from days to hours."

"To me, the most striking improvement from previous upgrade projects was the period immediately after go-live," adds Petersen. "In the past we always had issues to deal with for the better part of a month after an upgrade, but this time we were down to the miscellany after just a week or so."

Better Planning and Decision-Making Tools Ease Growth

With its new foundation in place, NewMarket was able to create and launch a concrete, multiyear plan for enhancing its IT infrastructure with new SAP applications. Implementation of the





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Sujoy Sarkar, Director, ERP Division, CXI Inc.

SAP NetWeaver® Business Intelligence (SAP NetWeaver BI) component has begun, and the SAP Advanced Planning & Optimization (SAP APO) component and other innovations are right behind it. “SAP NetWeaver BI and SAP APO will help us make more informed decisions and better plans to help us address our supply chain challenges as we grow,” says Petersen.

“This was CXI’s first upgrade job for us, and the team performed very competently,” Petersen adds in closing.

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Steve Petersen, Chief Technology Officer, NewMarket Corporation

“We had several occasions to call on our SAP support team for assistance, and they made a big difference too. We’re very pleased with the whole upgrade project and with the SAP software that will help us continue our success well into the future.”

SAP: Delivering IT-Powered Business Innovation

As the world’s leading provider of business software, SAP delivers products and services that help accelerate business innovation for our customers. We believe that doing so will unleash growth and create significant new value – for our customers, SAP, and ultimately, entire industries and the economy at large. Today, more than

46,100 customers in more than 120 countries run SAP applications – from distinct solutions addressing the needs of small businesses and midsize companies to suite offerings for global organizations.

From Walldorf to Wall Street: The SAP Success Story

Founded in 1972, SAP has a rich history of innovation and growth that has made us a true industry leader. SAP currently employs more than 43,800 people in more than 50 coun-

tries worldwide. SAP is listed on several exchanges, including the Frankfurt Stock Exchange and NYSE under the symbol “SAP.”

Knowledge, Experience, and Technology for Optimizing Business

We leverage our extensive experience to deliver a comprehensive range of solutions that empower every aspect of business operations. By using SAP solutions, organizations of all sizes – including small businesses and midsize companies – can reduce costs, improve performance, and gain the agility to respond to changing business needs. SAP also has developed the SAP NetWeaver technology platform, which enables our customers to achieve more value from their IT investments.

Our professionals are dedicated to providing the highest level of customer service and support.

A Philosophy for Leadership and Strong Performance

SAP strives to define and establish undisputed leadership in the emerging market for business process platform offerings and accelerate business innovation powered by IT for companies and industries worldwide. As part of its commitment to corporate citizenship, SAP also contributes to economic development on a grand scale.



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