FERRERO

ACHIEVING EFFECTIVE APPLICATION LIFECYCLE MANAGEMENT WITH SAP® SOFTWARE AND SERVICES

"By adopting application lifecycle management concepts, we are able to do more with less. The tools and methodologies provided by SAP Solution Manager, plus expert services from SAP MaxAttention, are key to this success."

Enzo Bertolini, Group CIO, Ferrero

QUICK FACTS

Company
- Name: Ferrero
- Industry: Consumer products – food companies
- Products and services: Confectionaries
- Revenue: €6.6 billion
- Employees: 21,736
- Web site: www.ferrero.com

Challenges and Opportunities
- Accelerate introduction of enhanced and new SAP® software functionality
- Reduce costs associated with SAP applications
- Enhance quality of SAP solutions
- Minimize unplanned downtime and disruption to day-to-day business

Objectives
- Develop an effective application lifecycle management strategy
- Leverage expert support services
- Deploy state-of-the-art tools and methodologies across all stages of the application lifecycle

SAP Solutions and Services
- SAP Solution Manager application management solution
- SAP MaxAttention™ services from the SAP Active Global Support (SAP AGS) organization

Implementation Highlights
- Introduced comprehensive support across all stages of the application lifecycle
- Successfully completed the most challenging software implementation in Ferrero's history
- Established a "single source of truth" with SAP Solution Manager and its use in the entire application lifecycle

Why SAP
- Strategic commitment to SAP enterprise applications
- Unparalleled expertise of SAP AGS
- Wide-ranging functionality of SAP Solution Manager

Benefits
- Fast, effective support across the entire application lifecycle
- Accelerated introduction of new software functionality in line with business needs
- Lower total cost of ownership of SAP applications
- Time savings thanks to streamlined, automated testing
- Increased quality and reduced risk during implementation of SAP applications

Existing Environment
SAP software, including the SAP ERP, SAP Customer Relationship Management, and SAP Extended Warehouse Management applications

Third-Party Integration
- Database: Oracle
- Hardware: Hewlett-Packard
- Operating system: UNIX

Faced with the challenge of doing more with less, today's IT departments are increasingly seeking to implement winning application lifecycle management strategies. The aim: to accelerate innovation and cut costs while ensuring outstanding quality and business continuity. Leveraging the SAP® Solution Manager application management solution and SAP MaxAttention™ services, Italian-based confectioner Ferrero has implemented a highly effective approach that delivers on all fronts.

Ferrero manufactures confectionary that sets standards for quality, innovation, and freshness. Its well-known brands include Ferrero Rocher, Nutella, Kinder Surprise, and Tic Tac. From modest beginnings, Ferrero has grown into a major international player with 38 business units and 18 production facilities worldwide. The family-run group, which employs a workforce of 21,736, posted consolidated revenues of €6.6 billion for the fiscal year ending August 31, 2010.

The Business Value of SAP Software

SAP solutions play a pivotal role at Ferrero. "Our international strategy is to implement SAP software wherever possible," explains Martin Flegenheimer, IT director of Ferrero Germany and Eastern Europe. An extensive SAP software landscape supports a broad spectrum of activities, including enterprise resource planning, customer relationship management, and warehouse management. And it is growing constantly.

To maximize the business value of its SAP software, Ferrero needs to be able to roll out new functionality rapidly and in line with its real-world requirements. At the same time, the group's IT specialists have to keep a tight rein on costs. And they have to safeguard business continuity by minimizing the risk of unplanned outages. In short, effective application lifecycle management is crucial.

Expert Advice and Assistance from SAP MaxAttention

Ferrero's first step in this direction came in 2002 during the large-scale Italian implementation of the SAP Advanced Planning & Optimization (SAP APO) component. "At a fairly late stage, we realized that the complexity of the project called for additional support," recalls Flegenheimer. "We needed expert advice and assistance. And that's where SAP MaxAttention came in."

Delivered by the SAP Active Global Support (SAP AGS) organization, SAP MaxAttention provides made-to-measure services across the entire application lifecycle. It includes safeguarding for complex solutions, implementation of continuous improvement processes, and planning for new releases and upgrades. Dedicated SAP technical quality managers oversee service delivery and give customers a single point of access to SAP experts on solutions, technology, development, and support.

The support from SAP AGS helped secure the success of the SAP APO implementation. In fact, it proved so valuable that Ferrero lost no time in incorporating SAP MaxAttention into its application lifecycle management efforts. "SAP MaxAttention gives us a range of services that meets all our needs – helping us identify key aspects of our projects, gauge complexity, and source the right services for each phase of the lifecycle," states Flegenheimer.

Support from A to Z with SAP Solution Manager

The second core element of Ferrero's application lifecycle management strategy is SAP Solution Manager – a powerful application management solution that offers a comprehensive set of tools, methodologies, and content for activities ranging from blueprinting and project documentation to system monitoring. It gives companies a direct channel to specialists at SAP, who process support messages and track and resolve issues.

When it upgraded to the latest release of the SAP ERP application, Ferrero piloted SAP Solution Manager, with a focus primarily on defining test scenarios

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and test cases, performing automatic testing, and tracking results. In addition, all errors encountered during testing were processed using the application management solution's service desk functionality. "SAP Solution Manager allows us to automate and streamline many aspects of testing, lightening the load on our users considerably," says Flegenheimer.

Building on this experience, Ferrero adopted SAP Solution Manager as its central project management and test management environment – a major milestone en route to effective application lifecycle management. The solution provides help desk functionality for users of SAP ERP. What's more, it gives Ferrero real-time insight into SAP software and monitors complex business processes spanning multiple systems.

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Successful Implementations Great and Small

As part of its coordinated application lifecycle management strategy, the group now utilizes SAP Solution Manager to introduce new SAP software. Integrated tools enable Ferrero to create the project structure and business blueprint, map all relevant systems, make configuration settings, and create and store all relevant documentation.

First deployed to implement the SAP Customer Relationship Management (SAP CRM) application, these tools really came into their own when Ferrero introduced the SAP Extended Warehouse Management (SAP EWM) application at its main German warehouse facility. This project – by far the largest in the group's history – posed daunting challenges in terms of scale and complexity. "The SAP EWM implementation was a vast undertaking involving a vital facility," says Flegenheimer. "Any unplanned interruptions to operations at the warehouse could have seriously impacted our business."

The proven tools and services from SAP enabled Ferrero to mitigate risk and maximize quality. Throughout the project, SAP Solution Manager provided a single source of truth. The group's IT organization and SAP AGS leveraged the application management solution for tasks including project documentation, incident management, and security management. "SAP Solution Manager and SAP MaxAttention gave us coverage from A to Z for our implementation," says Flegenheimer. "And we were very happy with the results."

A Standard for All Future IT Projects

Since the successful introduction of SAP EWM, Ferrero's application lifecycle management approach has been deployed as the standard for all SAP projects throughout the group. Enzo Bertolini, group CIO of Ferrero, underscores the contribution of SAP Solution Manager to this strategy. "SAP Solution Manager delivers comprehensive coverage for complex, large-scale projects – from initial planning to ongoing operations and improvements – giving us complete control over each and every step."

What's more, the reusable content provided by the application management solution means implementations no longer depend on the knowledge and skills of particular individuals. "SAP Solution Manager gives us rapid access to the structured information and methodologies we need for our projects," explains Flegenheimer.

Accelerated Innovation, Reduced Costs, Business Continuity

Since embarking on its application lifecycle management efforts, Ferrero has seen a host of tangible benefits. "Using tools and services from SAP AGS, we have significantly accelerated project timelines," states Flegenheimer. As a result, the group's IT specialists can now roll out new business-driven functionality to business users more quickly and more effectively than ever.

In addition to boosting speed, Ferrero has achieved considerable cost savings. "Our application lifecycle management strategy lowers the total cost of ownership of our SAP software," Flegenheimer points out. "What's more, it reduces spending on relatively basic technical projects, such as release changes and the introduction of enhancement packages."

Last but by no means least, the group has enhanced the quality of its SAP solutions and minimized potentially costly disruptions to business. Proven methodologies and support for best practices mitigate risk, improve performance, and minimize unscheduled downtime. And the diagnostics and business-process-monitoring functionality of SAP Solution Manager helps reduce the overall number of incidents and average time to resolution. "Thanks to our application lifecycle management strategy, we have seen a marked improvement in the reliability of our SAP applications," says Flegenheimer.

The Road Ahead

And there is more to come. Ferrero is currently gearing up to use its tried-and-trusted strategy in a number of new initiatives. These include upgrades of SAP CRM and SAP EWM. Going forward, the group plans to enhance its application lifecycle management on an ongoing basis, for example, by introducing functionality for change management.

A satisfied Bertolini takes stock of achievements to date: "By adopting application lifecycle management concepts, we are able to do more with less. The tools and methodologies provided by SAP Solution Manager, plus expert services from SAP MaxAttention, are key to this success."

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