

## SAP Customer Success Story Chemicals – Industrial Gases



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Axel Baumann, Head of European SAP Competence Center, Air Liquide

### AT A GLANCE

#### Company

- Name: Air Liquide
- Location: Paris
- Industry: Chemicals
- Products and services: Industrial and medical gases and related services
- Revenue: €10 billion
- Employees: 36,000
- Web site: [www.airliquide.com](http://www.airliquide.com)

#### Challenges and Opportunities

- Difficulty in adapting to new business requirements with old software
- Complexity due to the number of different legacy systems in several data centers across Europe

#### Objectives

- Establish a state-of-the-art IT business platform
- Create a stable foundation for future expansion and integration for at least the next 5 years
- Build a centralized IT infrastructure
- Ensure continuity of day-to-day business processes during the upgrade to the mySAP™ ERP application

#### SAP® Solutions and Services

- mySAP ERP
- SAP® Ramp-Up program

#### Implementation Highlights

- Very large-scale upgrade project was completed in only 5 months.
- Upgrade went unnoticed by end users.
- Software was stable during and after upgrade.

#### Why SAP

- Successful SAP partnership of many years
- Availability of comprehensive, integrated software that offered greater innovation and a stable platform to protect investment

#### Benefits

- SAP software environment consolidated
- Reduction of IT total cost of ownership expected to be between 15% and 25%
- User training minimized
- Reduction of active applications from 800 to 100 in progress

#### Existing Environment

- Proprietary legacy applications
- SAP software

#### Third-Party Integration

- Database: Oracle
- Hardware: Sun Microsystems
- Operating system: UNIX

## AIR LIQUIDE

### mySAP™ ERP Cuts IT Costs by Enabling Centralized System Administration

Air Liquide is the world’s leading supplier of industrial and medical gases and related services. Active in over 70 countries, the Paris-based company has 36,000 employees worldwide and generates annual sales in excess of €10 billion.

#### In Search of Ways to Consolidate

Air Liquide supplies more than one million customers in numerous industries worldwide with oxygen, nitrogen, hydrogen, and many other gases in addition to providing related services. Because shipping gases over great distances is costly and inefficient, Air Liquide operates more than 250 production sites in Europe – some 500 worldwide – to assure placement of the facilities within the immediate vicinity of major customers.

Over the years a great variety of applications has been implemented to serve these sites. Furthermore, the company’s acquisitions of new subsidiaries added to the unnecessary abundance of different data centers. Meanwhile, the harmonization of safety standards within the EU allowed Air Liquide to ship products across European national borders to streamline distribution routes. All this prompted Air Liquide to search for ways to consolidate its IT assets and centralize many business processes that previously had been handled locally or nationally.

Following a two-year period during which Air Liquide made no upgrades to its enterprise resource planning (ERP) application landscape, Air Liquide knew it had to act to keep pace with the evolution of technology and to ensure its future competitiveness. Air Liquide opted in favor of a software generation change by upgrading to the mySAP™ ERP application.

### No Alternative to SAP® Software

Axel Baumann, head of the European SAP Competence Center at Air Liquide, emphasizes the strategic importance of the upgrade project: “We plan to extend the application portfolio as well as the system integration, so we needed to establish a foundation strong enough to support us for many years.”

Air Liquide had moved to SAP® software earlier to take advantage of a unified, centralized, comprehensive software environment. “When we were discussing the SAP upgrade, alternative solutions never were a real option,” affirms Baumann.

### Pleasant Surprises

Air Liquide’s central SAP software environment, covering all the classic ERP disciplines, is impressive in scope and scale. The upgrade project – which encompassed over 4,000 users in Europe within 1 client, 7 national divisions, 50 subsidiaries, and 2 time zones – was very ambitious, and so was its time frame. “We had to contend with enormous organizational constraints,” says Baumann. “But as planned, we completed the upgrade within five months, including extensive nonregression testing. And our users’ work was never disrupted.”

Air Liquide’s IT staff handled most of the project on its own. “But in all critical moments, and especially during the three-day going-live phase, the SAP Services organization provided the most valuable input,” Baumann reports. “That was a good experience.”

The need for new hardware was limited to an increase of hard disk space of 5% to 10%, says Baumann. Another major challenge had been user training. “But to our great relief, there was no end-user training required at all,” Baumann stresses. “We just distributed some release notes with a few screen shots to the key users – that was sufficient.” Early worries about software stability also turned out to be unfounded. “Our current SAP software is amazingly stable,” Baumann affirms. “Our business leadership likes that. System crashes, bottlenecks, failures have been eliminated almost entirely.”

### Centralization Pays

Before moving to the SAP NetWeaver® platform, Air Liquide was running different ERP solutions for nearly all its subsidiaries. Air Liquide set a key strategic and financial goal to reduce the

number of applications by centralizing its ERP software. “Some years ago, we had over 800 individual applications running across Europe,” describes Patrick Franchinard, CIO of Air Liquide in Europe. “We are reducing that portfolio to 100 in the next two years. One of the big advantages of our new SAP environment is

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the ability to deploy one centrally managed IT infrastructure for western Europe. It has a common set of applications, consistent processes, and integrated master data but still allows our international subsidiaries to make the necessary adaptations for localization.”

Through data center consolidation and centralized user and application administration, Air Liquide expects to lower its IT total cost of ownership by 15% to 25%. The possibility of implementing consistent security concepts and high availability solutions are additional benefits. And that is not all – the new SAP software infrastructure allows Air Liquide to internationalize operations in many fields, logistics and maintenance included. Thanks to its Web enablement, mySAP ERP supports enterprise-wide reporting using the SAP NetWeaver Business Intelligence (SAP NetWeaver BI) component, which is included in Air Liquide’s IT landscape. Closely linked to the ERP solution, SAP NetWeaver BI is currently deployed for the European affiliates in one of the most extensive SAP NetWeaver BI deployments in France.

### New Perspectives

Several SAP projects are under way, one focusing on the mySAP Supplier Relationship Management application, and many other SAP NetWeaver components are being discussed, says Baumann. “Our new mySAP ERP application opens up a vast array of options and possibilities for Air Liquide that we have barely begun to explore.”