

HP BW Pack Case Study



Nippon Del Monte Corporation



HP's SAP BW Pack for Nippon Del Monte Corporation

SAP BW successfully introduced
using the HP BW Pack
in just three months



Nippon Del Monte Corporation

In 1996, Nippon Del Monte started efforts to introduce SAP R/3, with full operation set for 1998. In order to make more efficient use of this data, Business Information Warehouse (SAP BW) was incorporated using HP BW Pack—an obvious choice because of HP's total support covering system infrastructure, bases and applications, and also the transfer of skills to enable operators to control the system themselves. With only three months for development, the ideal platform was chosen from among several while holding system costs to a minimum. Test operation started in January 2003 and full-scale operation got underway in April.

SAP R/3 aggregates data and SAP BW promotes full utilization

In this day of change, decisions have to be made on the spot. And making accurate decisions requires accurate data. Consider what would happen if sales of a strong product suddenly drop. Managers need to understand what's going on from sales and inventory data, and make adjustments in production, meaning data has to be as current as possible. Old data results in both slow response and faulty decisions. To meet these needs, companies are starting to reform their main systems. By introducing ERP, companies can aggregate and use data to make decisions on a real-time basis.

Nippon Del Monte is one such company. In the past, their backbone system was on an office computer; but they started introducing BPR and SAP R/3 from 1996, and an ERP-based system from 1998. They first completed the accounting, logistics and human resource functions. Later they would add management accounting to promote the use of data in management. "What was unique about our introduction

of SAP R/3 was that we made almost additions," explains Kenichiro Mito, deputy general manager of administration division general affairs department at Nippon Del Monte. Using the standard package makes it unnecessary to make add-on corrections and testing with each new version. However, each company requires different management reports depending on the management level that uses the system. According to Mito, Nippon Del Monte had made scores of its own management report forms.

To improve efficiency, Nippon Del Monte set its sights on Business Information Warehouse (SAP BW). They had already heard about SAP BW in 1999 and were convinced of its effectiveness. However, at that time they had just started full-scale use of SAP R/3 and wanted to get familiar with it first. This require another two years, and so they started looking closer at SAP BW from the fall of 2001.



Kenichiro Mito
Deputy General Manager
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Nippon Del Monte Corporation

Head office: 4-13, Nihonbashi Koamicho,
Chuo-Ku, Tokyo, 103-0016,
Japan

President : Kakuji Nishiyama

Capital : 900-million yen

Founded : 1961

Business : Production and sales of catsup,
sauces, drinks, etc.

HP BW Pack reduces development time to three months

To introduce SAP BW, Nippon Del Monte decided to use HP BW Pack in July 2002, after considering proposals from several vendors. "The HP BW Pack contains all the necessary elements for introducing SAP BW," says Norio Kurihara, Manager of administration division general affairs department at Nippon Del Monte. "Because of the nature of SAP BW applications, the system infrastructure and basis are very important. The biggest requirement was the ability to provide total support, and not just for applications.

According to Kurihara, another decisive factor was the transfer of skills so that the operator of SAP BW could make the maximum use of it without relying on the vendor. Just because a data warehouse has reached the full-scale operation stage doesn't mean the job is done. As the data processing purpose and methodology changes considerably with the management environment and policies, changes to the system have to be made on an ongoing basis. And to do this in a rapid and economical way, companies need to make changes on their own.

The actual work on the project began in August 2002 with the preparation of the system and development environments, along with clarification of requirements. Development began from September, and work on the environment itself got underway in November. Data was transferred and test conducted in December and full-scale operation started from January 2003. The system was up and running in only three months—just as HP had promised.

"When HP first said they could finish the job in three months, we had to doubt them," recalls Mitsuhiro Okada of Nippon Del Monte's administration division general affairs department. Considering the time it took to introduce SAP R/3, their promise seemed reckless. "But there was nothing reckless about their pace of work—it even seemed like they were taking their time," he says.

"One of the reason things went so smoothly was the skill level of the HP engineers," points out Kurihara. "SAP BW requires a wide range of specialties and knowledge, all of which were handled by the HP engineers." He was also impressed with the way the engineers knew how to



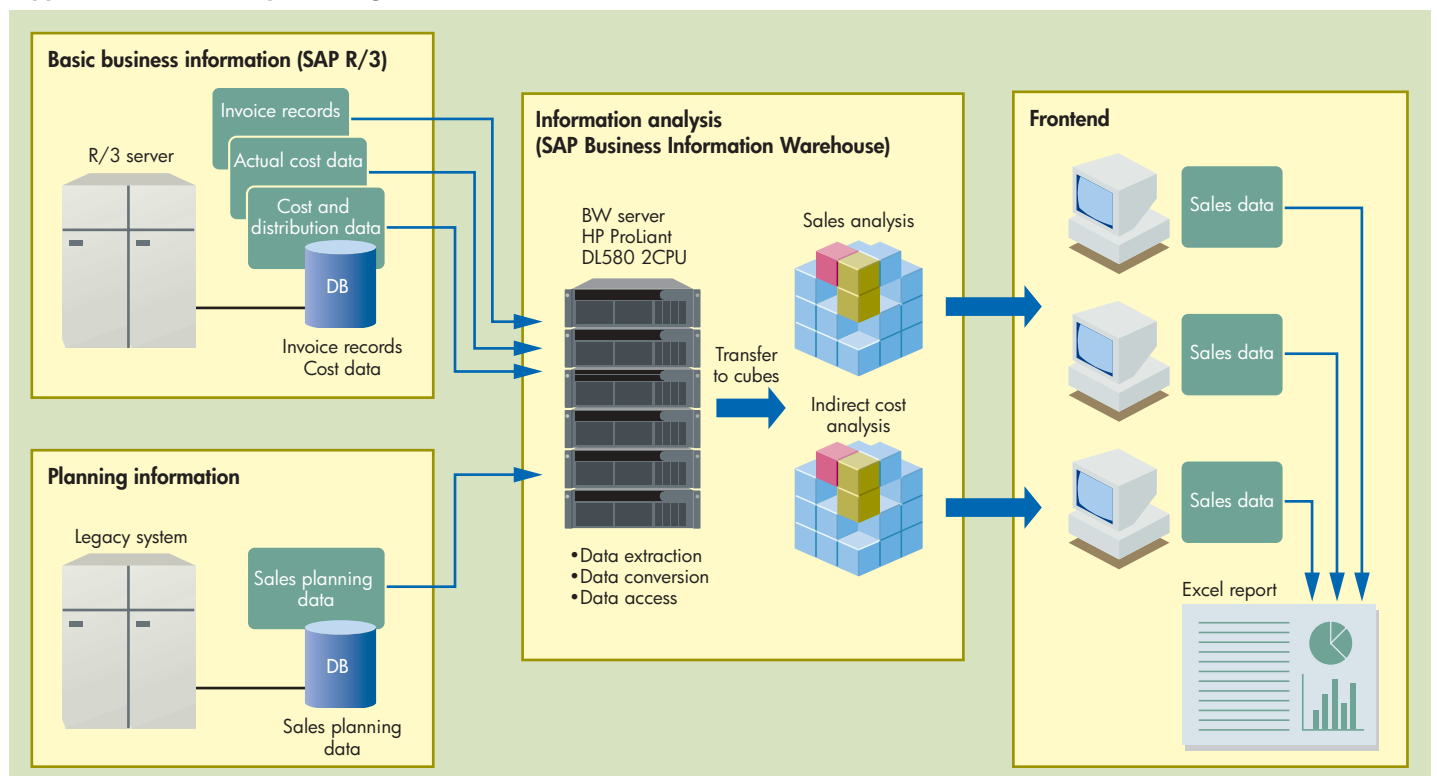
Norio Kurihara
Manager
Administration Division
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proceed efficiently and carefully documented their progress. He remembers being reassured by seeing the project move ahead exactly as scheduled.

ProLiant holds introduction costs to a minimum

As outlined in the diagram, the new system extracts data from sales figures, procurement costs, and sales projections from office computers, and creates four different types of data cubes within SAP BW from which reports on sales and indirect

Nippon Del Monte Concept Drawing





Mitsuhiro Okada
Administration Division
General Affairs Department
Nippon Del Monte Corporation

costs figures and projections are generated daily. The overall cube size is 11 GB, with data processing being handled by combining a HP ProLiant ML580 (2CPU/2GB memory) and HP StorageWorks 4314R (300 GB).

The IA server (Windows 2000 Server), AlphaServer and HP-UX Server are all possible platforms for the HP BW Pack, and so the appropriate choice can be made depending on the required system scale and capacity, helping to hold costs to a minimum. Of course, the short introduction time also helps to reduce expenses. Such benefits also contribute to the attractiveness of the HP BW Pack.

The first of three main advantages of this system is its ability to easily create management reports. In the past, the SAP R/3

report would have to be transferred to Excel, and then manually processed every day into the specified reports by noon of the following day. This manual process required considerable time and labor.

Another advantage is that legacy type data can be combined with SAP R/3 data. Nippon Del Monte started full operation of SAP R/3 from 1998, but even now projects are being handled by office computers. Because this type of data hasn't been aggregated into SAP R/3, reporting is handled separately. However, SAP BW is able to seamlessly incorporate data from other backbone systems to create a single report.

And the third advantage of this system is increased flexibility of data. SAP BW can output reports directly to Excel with macros making it possible to effortlessly create simulations from the data "In the past, we used SAP Reporter Painter to make indirect cost reports, but the reports were just displayed on the screen with limitations to what could be included," comments Mitsuhiro Okada. However, SAP BW has done away with such restrictions and add a high degree of flexibility to the reports. Macros for making Excel graphs used in data analysis have already been made and are being used.

Virtual plant management looms in the future

As of March 2003, Nippon Del Monte is still looking for new ways to utilize SAP BW. In the coming quarter, they will conduct testing to identify what reports are needed and pursue the incorporation of such functions as they move towards full-scale utilization.

Nippon Del Monte is now considering the possibility of using SAP BW and other IT tools for to create the virtual management of their plants, according to Kenichiro Mito. "We have six plants in Japan, and they are all being operated as separate units. Even divisions not directly related to production are duplicated. "

The company would like to use IT tools to unify the six operations so they can be handled as one operation. "By having plants in different locations, we contribute to the local community, and so we don't want to physically combine the plants. However, we should be able to use IT tools to centralize the management of separate units," states Mito.

Nippon Del Monte anticipates that SAP BW will make an important contribution to increasing traceability from production through distribution to insure safety.

From data aggregation to data utilization, Nippon Del Monte has entered a new era with the use of the HP BW Pack in introducing SAP BW.

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