



Coca-Cola Bottling Company United refreshes its business with an SAP solution from IBM

Overview

■ The Challenge

- Gain a clear view of company-wide business processes and performance
- Replace disparate application architecture
- Reduce total costs of ownership for IT
- Ensure high availability and reliability for business systems
- Adopt best-practice approaches to business
- Standardize business processes across constituent corporate units

■ The Solution

- Industry:* Consumer Packaged Goods, Beverages, Distribution
- Application:* SAP R/3
- Hardware:* @server® iSeries™ models 830 and 825, IBM TotalStorage LTO Ultrium Tape Drives
- Software:* DB2® Universal Database, Backup, Recovery and Media Services (BRMS)
- Services:* IBM Business Consulting Services, IBM Global Financing

■ The Benefits

- Single, consistent view of all business processes
- Fast, easy access to sales data, boosting speed and accuracy of executive decision-making
- Reduced inventory levels through improvements in production scheduling and forecasting
- High reliability and low cost of ownership with IBM @server iSeries
- Powerful, cost-effective consulting and implementation services from IBM Global Services

Founded in 1902, Coca-Cola Bottling Company United is the third-largest Coca-Cola bottler in the US, serving customers in six south-eastern states from 18 sales offices. The company employs around 2,700 people and ships some 55 million cases of soft drinks every year.

Mike Neighbors, Vice President of Information Technology, describes the company's legacy IT architecture: "We had multiple software systems in place, including The Coca-Cola Company's own sales and distribution application, a packaged software solution for Financials, HR and PR, plus what I would call a hodge-podge of home-grown legacy applications. The basic problem was that these systems were not integrated, and it was hard to extract meaningful company-wide business information."

To meet the challenge, Coca-Cola Bottling Company United engaged IBM Global Services Business Consulting Services (BCS) to define a new ERP system for the company, and soon discovered that The Coca-Cola Company and several other bottlers were implementing SAP solutions. All of Coca-Cola Bottling Company United's legacy applications ran on four IBM AS/400 systems, so it was clear that it would make business sense to select iSeries for the SAP platform as well.

"SAP was the natural choice, and there was no question of deploying it on anything other than IBM iSeries," says Mike Neighbors. "Just as real estate is all about location, location, location, for us it's all about reliability, reliability, reliability. We deliver product every day, and our red trucks must roll out the gate every morning on time: reliability is the buzzword, and iSeries is the way to achieve it."

"The second key reason for staying with iSeries is that it offers probably the lowest total cost of ownership of any enterprise-class system. The initial price tag of iSeries can appear high, but you need to remember that DB2 database comes fully integrated as part of the package. You also achieve cost savings because iSeries is more easily manageable with a small IT team."

Why SAP is right for the industry

Working with IBM Global Services, Coca-Cola Bottling Company United chose FI/CO SAP solutions as a first-phase project, serving around 100 users, followed by MM and PP in phase two and subsequently HR/Payroll as phase three for a total of 350 users.

SAP was implemented in the Birmingham, AL, data center on an IBM **@server** iSeries model 830 with eight processors and 2.5TB of internal storage. The i830 runs both production and development/test environments, using two logical partitions (LPARs). Data backup/restore is accomplished using BRMS software to IBM TotalStorage LTO Ultrium tape drives.

The four AS/400 systems running the Sales and Distribution software were consolidated into one new IBM **@server** iSeries model 825 (also running multiple LPARs), with consequent savings in space, power, maintenance and administration.

"We chose IBM for both the consulting phase and the implementation phase," comments Mike Neighbors. "IBM has a stellar reputation in the consulting industry, and is not tied to a particular ERP solution. They have high-quality individuals, with experience in our industry sector – Consumer Packaged Goods – and they give us unbiased advice and opinion."

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Mike Neighbors, Vice President of Information Technology, Coca-Cola Bottling Company United

Benefits of choosing SAP and IBM

Growth through acquisition has factored heavily in the more than 100 years of Coca-Cola Bottling Company United, and the company was suffering from little or no business process standardization.

By introducing SAP, Coca-Cola Bottling Company United expects to ease the path to future standardization.

“With SAP in day-to-day operation, information now only has to be entered once in one place and it becomes available everywhere,” remarks Mike Neighbors. “Our people doing business analytical work can go to one place and find everything they need. On the manufacturing side, by improving the production scheduling and forecasting we have seen our inventory levels drop considerably, which in turn has reduced our need for working capital. This alone has helped offset the cost of the solution.

“While we do not yet have detail on the reduction in total costs of ownership, we can see improvements in processes and reduction in inventory giving us immediate payback.”

He adds, “Working with IBM, our slogan was ‘Adopt SAP practices’ rather than try to adapt SAP to our old ways of working. We relied a great deal on the IBM expertise and in general followed the guidance they provided throughout the implementation process. We view SAP as a world-class product built on industry best-practices, and have used the pre-implementation work carried out with IBM in part as a business process re-engineering project. We are already seeing benefits in terms of process standardization.”

Sharing data from old to new

Coca-Cola Bottling Company United not only delivers from the production line to the stores, but in most cases stocks the retailers’ shelves, too. Sales and distribution is managed by the legacy application from The Coca-Cola Company. This and the remaining applications have been consolidated to the i825, storing data in DB2, which is shared with the SAP systems on the i830.

“We’re now able to pull sales data across every day, from a single point of control. Many manual processes have been eliminated, and we get faster, more consistent business information,” says Mike Neighbors.

The company has also migrated its Lotus Domino servers to an additional IBM **@server** iSeries model 270. “The primary reason for the move was stability – the former hardware was constantly hanging and rebooting. Now the Lotus products are on iSeries, the stability it has brought is just unbelievable.”

The right business solutions

The company chose to take advantage of IBM Global Financing leasing options, as Mike Neighbors explains: “We lease our large systems because that enables us to update our technology exactly as and when needed. We looked around for the best offer, and IBM Global Financing came out on top.”

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Mike Neighbors, Vice President of Information Technology, Coca-Cola Bottling Company United

SAP and IBM for the future

SAP is now Coca-Cola Bottling Company United’s platform of choice for all future business process management. The IBM **@server** iSeries servers deliver the reliability and scalability the company needs, and as SAP develops new bottling-industry solutions, these will be considered.

Mike Neighbors concludes, “We are strong believers in the IBM iSeries as the ideal platform for mission-critical applications. IBM Global Services BCS has been extremely helpful in delivering a successful SAP implementation on iSeries. One member of our implementation team had actually worked on the original port of SAP to iSeries: that’s the kind of expertise-in-depth advantages you get from IBM.”



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