



Holland Chemical International finds IBM and SAP a winning formula.

With 50,000 customers and a turnover of US\$1.1 billion in 1999, Holland Chemical International (HCI) is one of the leading global distributors of chemicals and raw materials. Since 1960, when it started its international operations in Latin America, it has been expanding its global presence so that today it has 115 distribution centres in 25 countries.

This expansion in geographical spread has been matched by a rapid development in the breadth and depth of the services the company offers. Far from merely storing and transporting chemicals, HCI now manages the entire supply chain for many of its customers. This involves adding value in many areas, from breaking bulk and blending chemicals, through managing inventories and providing on-the-spot technical expertise, to the provision of electronic commerce services and customer training.

HCI's growth has been accelerating in recent years. Its turnover leapt from some \$650 million in 1994 to \$1.1 billion in 1999 as the result of three factors. First, the additional services it offered brought with them extra revenue. Secondly, the company expanded organically both by increasing the number of its sites and by attracting new customers. And thirdly, HCI continued its programme of strategic acquisitions of appropriate companies.

Growth - a catalyst of change

Each of the three factors behind HCI's growth presented challenges to the company's management, and especially to its IS department. The introduction of additional services meant creating new, more complex systems to execute and manage

them. The adding of sites and customers brought the usual growth in transaction volume and complexity. And the acquisition of new subsidiaries meant the integration of existing systems within the HCI model.

Although the organisation continued to function effectively in the face of these challenges, it became clear that considerable efficiencies were available through a fundamental reappraisal of its business processes and the information technology that supported them. The company needed to re-engineer its processes away from the diverse and decentralised toward the unified, consolidated and standardised. It also needed to cope better with the many currencies in which it dealt.

Industry	Chemicals
Application	SAP R/3 Modules FI, CO, SD, MM QM, PM, PA
Software	Microsoft Windows NT
Hardware	IBM Netfinity 7000 servers IBM Netfinity 5500 servers



Information Services



The value that an enterprise resource planning suite would bring in meeting these objectives was obvious, and HCI quickly settled on SAP R/3. The distribution business generally, and supply chain management in particular, lend themselves to global standardisation, automation, and information sharing, and HCI recognised that SAP R/3 was the most richly functional choice for its environment. The company was also early in recognising the potential value of B2B e-commerce to its business, and liked the future-proofing that SAP R/3 offered in enabling the introduction of both that and customer relationship management (CRM) tools in the future.

Research and development

The choice of server and support supplier was less immediately obvious, and the company exhaustively researched the market-place, speaking to all the major players.

From his offices in Houston, Texas, Jon Wynkoop, HCI's IS Director, takes up the story: "In the end, choosing IBM was easy. Their sales people went to great lengths to understand our business and they really listened to what we said. And the solution they offered was superior: the IBM Netfinity servers with their X-architecture technologies brought in from IBM's enterprise class servers especially impressed us – as did the fact that IBM work very closely with SAP:"



"But almost as important was IBM's global coverage. HCI will continue to grow and we wanted a partner who will have a presence wherever we choose to locate a site or acquire a subsidiary:"

"Now that the system has been up and running for a while," he continues, "I can say that I am sure we made the right choice. Our relationship with IBM has grown stronger and closer. It is reassuring to be partnering with a com-

pany that has such a vast depth of resource and that has the commitment and integrity to apply those resources to us, in the event of any problem arising:"

A new element

Implementation of the solution was carried out as planned and on schedule by IBM business partner, TechSys, also based in Houston. TechSys now provides continuing support, backed up by IBM's Netfinity and SAP experts. Jon Wynkoop is very satisfied with the model: "When the business partner was first introduced, we were worried that IBM were distancing themselves from the relationship, and palming us off on a go-between. Now we can see that they were just adding another layer of service, and we value our relationship with TechSys very highly:"

HCI has a total of six Netfinity servers within the solution: three 5500 models and three 7000 M10 models, all with dual Intel® Pentium® III Xeon™ Processors. Fibre channel technology is used to enhance connectivity, and Fast Wide SCSI is used for highly scalable data storage. Scalability is an important factor in all HCI's thinking. The SAP R/3 solution will have 390 users by January 2001, rising quickly to 750 in North America alone, before it rolls out to the rest of the world.

New ways with mySAP.com

As HCI faces new threats and embraces new opportunities, it is confident that its IS infrastructure and the people who support it are up to the job. Jon Wynkoop sums up: "The systems we have in place now are providing us with a real competitive edge. We are already planning to add mySAP.com solution components like the SAP Business Information Warehouse (BW) and Customer Relationship Management (CRM) to help us make even better use of the SAP suite.

"Our relationship with IBM continues to be excellent. New SAP functionality will require our hardware to grow accordingly and we will certainly use IBM Netfinity Servers. Indeed, we have decided to standardise all our file servers and mail servers around the world, and are replacing them all with Netfinity units. We are also standardising our laptops and have chosen IBM ThinkPad computers.

"When we set out on the SAP project, we had intended to find a global partner that we could trust – one that would deliver the solutions and support we needed to meet our business goals. IBM is just that."

Jon Wynkoop, IS Director



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