



IBM and SAP manufacture success for Robertsons.

When Robertsons, a South African food and household goods manufacturer, needed a new, integrated software system, it chose SAP R/3 as its ERP solution. The solution enabled Robertsons to run on its preferred IBM AS/400 hardware, solved its Year 2000 problems, streamlined its supply chain and lowered administrative costs too.

Durban-based Robertsons has a total of more than 2000 employees in its South African offices, and a distribution base covering several continents, including North America, Europe and Australia. It has been in the food and homecare industry for 75 years, where its forward-looking attitude has kept it at the vanguard of the market.

Robertsons decided to invest in new software in 1998 in order to replace its previous ERP package. The one criterion was that it had to be compatible with the preferred core platform that Robertsons had been running on for almost ten years: the IBM AS/400. Robertsons specifically chose IBM AS/400 compatible software as it had always found the IBM server to be unbeatably reliable and perfectly suited to its needs. Trevor Harding, IT Director at Robertsons, explains: "We wanted to enable the optimisation of our business processes, and so we needed an application that was integrated across all functions within the supply chain." The organisation was looking to the future, too: "We wanted to move to a platform that could support the progress that we were making in terms of e-commerce and efficient consumer response initiatives."

IT Manager Tony Pillay adds, "We also needed the capacity for Internet integration in order to be able to connect with our trading partners. The SAP system on IBM AS/400 gave us the ability to do this, improving customer relations and our potential for increasing revenue."

Taking a central role

As there was little history of SAP running on IBM AS/400 in South Africa, Robertsons engaged SAP itself to oversee the pioneering installation. Robertsons also used the occasion to buy a new server and implement a new systems architecture, in order to streamline the business.

Industry	Manufacturing and Wholesale
Application	SAP R/3 Modules FI, CO, MM, PP, SD, PM, QM
Software	OS/400 DB2/400
Hardware	AS/400



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Says Trevor Harding, "Previously we had a decentralised environment with 12 separate IBM AS/400 servers. With the move to SAP we've switched to one prime 12-way processor: a new, centralised, IBM AS/400 at the heart of the operation, with a networked environment around it. The data is now standardised and up-to-the-minute across the whole company, enabling quicker and more accurate decision-making." Asked why Robertsons thought the new combination of software and hardware was the right choice for the company, Tony Pillay comments:

"SAP is software which will last and which can be adapted to meet the needs of our business in the future. Over the years the IBM AS/400 has been proven to be the server of choice: it has 99.94% reliability, which is why we can base our distribution and manufacturing on the system and be totally reliant on it."

Customer satisfaction

Tony Pillay lists a number of customer benefits resulting from the new system: "They have access to information as it changes in real time. Better planning all the way down the supply chain also means our customers get more accurate and more punctual deliveries, so that when they order something they get it on time and in full. Good customer relationships are very important to Robertsons, so in terms of service-level measurements we are continuously striving to improve. Our SAP implementation helps us do this."

After the completion of the eighteen-month phased rollout, which has seen the new system implemented in Robertsons Headquarter and all seven South African factories, the company has felt a number of immediate benefits, including data integration and greater customer satisfaction.

"We now have a common set of data which can be used by the whole organisation, and because the integrated database and processes support and streng-

then the supply-chain, we can ultimately provide better customer service. SAP on the IBM AS/400 has helped us do that because it has improved the companies' efficiency and communication," says Trevor Harding, IT Director.

Training for the best result

One of the most important tasks involved in the introduction of SAP throughout Robertsons was of course the instruction of the company's staff in the use of the new software. Robertsons knew that although the system was inherently user-friendly, staff would have to be fully trained to use the new functionalities to maximum effect. Getting all these benefits from the system, however, involved intensive change management to alter people's working patterns. Trevor Harding describes the process, "We've been focusing on optimising the use of the system. Probably the biggest challenge we had was making everyone understand what would be different in working with the new software, and highlighting to them the importance of doing things right first time in terms of raw data and of process. As soon as they are all up to speed there will be great efficiency benefits – SAP has changed our working culture for the better." Trevor Harding explains the benefits the new installation has offered Robertsons and its staff: "It's given us a lot more visibility of data – previously on the decentralised system one factory couldn't see what the others were purchasing, but with the single integrated SAP system on the IBM AS/400 all locations see all actions in terms of buying and supplying. "This means that we can improve the buying process to make sure we buy the right stock in the right quantities. More than that, its increased accuracy can help us improve both inventory levels and our working capital management."

SAP rising

Asked what lies in the future for Robertsons, Trevor Harding is confident of continuing the partnership with SAP and IBM: "With SAP the depth of functionality is such an advantage – the initial implementation takes care of your basic requirements, and the capability for e-commerce and the opportunity for ongoing improvements is enormous. As for the hardware, we chose a platform we knew we could totally depend on, and IBM has certainly got a future with us in the IBM AS/400."



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IBM Form GK12-3586-0 (07/2000)