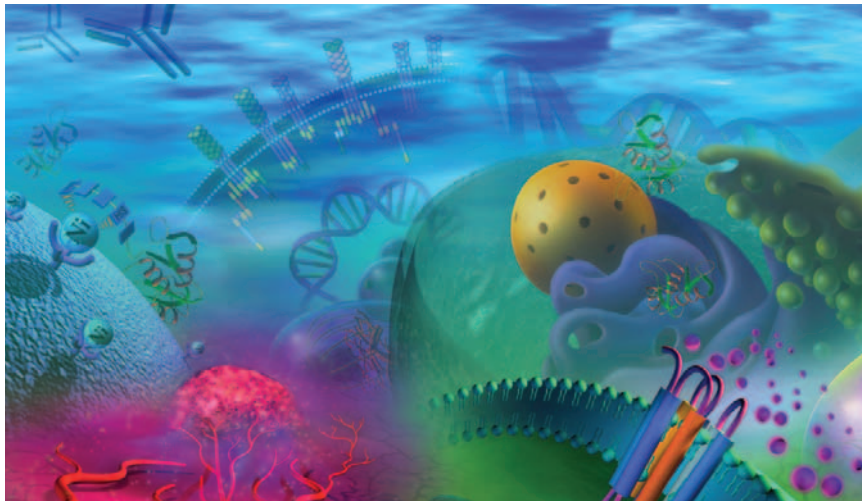


Sigma-Aldrich: just the right mix.



Overview

■ **The Challenge**

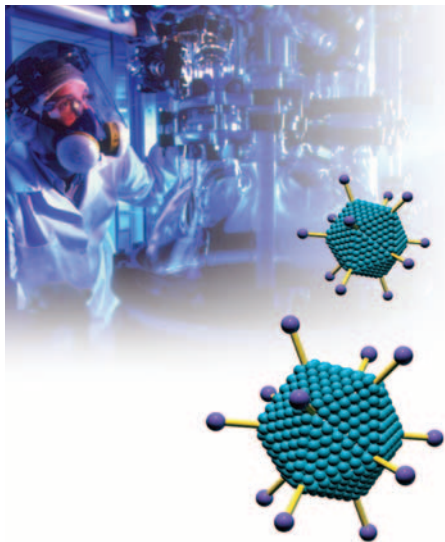
Worldwide SAP® rollout from a central location, integration of what were previously country-specific IT environments; implementation of a highly available, scalable infrastructure

■ **The Solution**

*Industry: Chemical/Life Science
Application: SAP R/3® 4.6C
Hardware: IBM® server® pSeries™
Software: Lotus® Notes®; Tivoli®
Services: IBM Global Services and Plaut*

■ **The Benefits**

Professional business landscape and system planning; high level of performance for business processes based on large transaction volumes, reliability and speed; drastic reduction of stock levels while increasing warehouse throughput; optimised logistics by means of increased levels of automation; growth secured thanks to scalability of hardware



“With our SAP and IBM solution, we have created a sound basis that enables us to concentrate on business and on our key skills while reacting flexibly to changes in the market at all times. For us, this is a clear competitive advantage.”

Larry Blazeovich, Vice President Information Systems, Sigma-Aldrich USA

Sigma-Aldrich USA is one of the leading multinational manufacturers and distributors in the life sciences and high technology sector, – with its brands Sigma, Aldrich, Fluka, Riedel-de-Haën and Supelco. The company has sales offices in 34 countries and exports to over 160 countries. It employs more than 6,000 people. The catalogues list around 85,000 products: chemicals, bio-chemicals, analytical reagents, chromatography products and laboratory equipment. They are used in the laboratories of around one million customers. In Germany, the company is represented by Sigma-Aldrich Chemie GmbH, a 100 % subsidiary based in Munich. This is the European Centre of Excellence for sales, marketing, administration and e-commerce and the IT head office.

Taking off into the on demand era.

June 1997 marked the beginning of the new ERP implementation. Jürgen Schlagenhauser, SAP R/3 Technical Manager in Munich, explains the reasons for the rapid climb into the IBM and SAP league: “It was an easy decision. Our applications were too slow and not year 2000-compliant. The aim was to give a new centralised structure to our IT systems. We also needed to be able to provide a high-quality display of non-European

languages. In addition, we wanted to use standard software because individual solutions simply do not allow sufficient flexibility in the market. A comparison of competitor systems quickly favoured SAP. Global features and the depth of the functionality were key factors in our decision.” Larry Blazeovich, Vice President Information Systems, Sigma-Aldrich USA looks back on the decision for SAP: “We were attempting to bring the corporation together under one global software solution. SAP’s commitment to integration of the various software modules was a deciding factor. It was a decision that has worked well for Sigma-Aldrich.”



Rapid integration.

“Our introduction of SAP was a huge step forwards in terms of technology,” Blazeovich remembers. “Luckily, our well established core business processes could be replicated in SAP R/3 without massive redesign work.”

IBM Global Services drew up the entire business blueprint, helped with the planning of the system and the infrastructure and supervised the change of platform this involved. The SAP implementation was carried out by Plaut both in the US and in Europe. “It was a real team effort,” explains Larry Blazeovich, “we are very satisfied with the way the project has gone. We also experienced tremendous benefits in areas that were not originally planned. The integration of all of our order processing allowed us to take advantage of the internet revolution. We currently take approximately 25 % of our orders electronically. This would have been impossible without SAP.”

Roll-out priorities set.

In 1998 and 1999, Sigma Aldrich started productive use of the SAP solutions for the sales and distribution, materials management and warehouse management departments and, of course, the finance departments. This strategy of gradual introduction has proved its worth in the past and has been retained. The focus is currently on Switzerland (mid 2003). India, Singapore, Malaysia, China and Korea will be incorporated into the SAP family by the end of 2004.

“The organisational dependencies within our establishment were a crucial factor in the decision as to whether SAP was introduced in a country and in what format,” emphasises Blazeovich. “At the end of the year we should be doing 95 % of our global business on SAP.”

Achieving optimum support for production and sales within an international context became the top priority. This is why the German site was not involved before the third wave of rollouts. Currently, around 800 active users are productive in Europe and over 1,200 in the US, and the numbers are rising, especially for the mySAP® PLM Environment, Health and Safety solution for hazardous goods, which is important for the chemical industry and is administered centrally from the US but used worldwide.

Expansion on a made-to-measure basis.

The spotlight is currently on business processes in the Sales & Marketing division. While Sigma-Aldrich currently



uses a variety of software to handle their marketing to more than one million chemists, they are exploring new CRM (Customer Relationship Management) capabilities. Blazeovich explains his plans: "We are doing a study on the impact of the mySAP CRM solution that would then be tightly integrated with the entire sales cycle."

The same is true for the Business Intelligence department. A centralised mySAP Business Intelligence solution running on IBM @server pSeries p690 has already been implemented at the company's head office in the United States. The Business Information Warehouse is at present primarily used to extract data from the global SAP R/3

system, calculate catalogue prices and then distribute them worldwide. The Strategic Enterprise Management solution from SAP is used for financial analysis and pricing.

Technical pSeries base up to date.

Sigma-Aldrich made a major step forward in terms of technology in early 2003, as the previous hardware landscape had reached full capacity. "We decided on pSeries because it delivered excellent value for money and had achieved outstanding benchmark results, and the IBM @server pSeries 630 was the best choice as a workgroup server which met all our requirements," says Jürgen Schlagenhauser. "Our leasing contract means we can keep open the option of upgrading the technology in the future for a good price."

Two IBM @server pSeries 670 servers in an HACMP cluster work as database servers with Oracle® 9.2, a superior combination according to the experienced IT manager. As a multinational company, the data throughput required is immense: up to 1.2 Tb in Europe alone and as much as 2 Tb in the US.

A strong partnership.

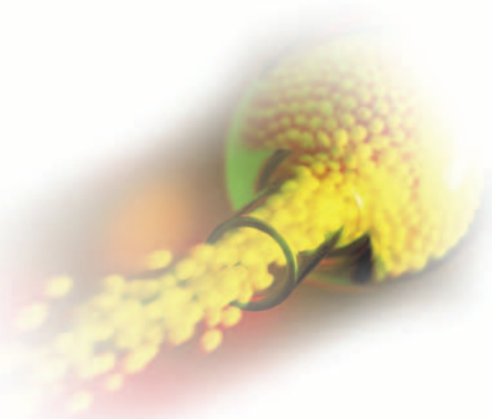
Larry Blazeovich remembers the beginnings of the partnership with IBM: "IBM has been a strong partner in our evolution of SAP. When we started the review in 1996 we had to examine three chip technologies with IBM to find processors to handle the load at that time. We have moved up over the years to pSeries. We cannot afford down time in our operations and with IBM's hardware and operating system software we have been able to achieve a very fault tolerant environment."

The server, memory subsystems and tape drives are all connected to one

another across two independent SANs to make them fail-safe. It goes without saying that Tivoli Storage Manager and Tivoli Data Protection for SAP are also used. With the latest version of AIX®, of course. "We feel AIX is far and away the best operating system in the UNIX® market," underlines Schlagenhauser from the technical point of view. "One of the key benefits is its flexibility and unparalleled scalability. The logical partitioning keeps all our options open in terms of expanding our SAP solution and we don't need to worry about any restrictions on growth."

Solid and good – today and tomorrow.

"We opted for a good, solid technical solution with a mature operating system", summarises Jürgen Schlagenhauser. "The excellent scalability of the overall solution leaves all our options open. Including an upgrade to SAP R/3 Enterprise."



Further Information

To learn more about how the IBM and SAP alliance can help your business, please visit: **ibm-sap.com**



IBM Deutschland GmbH
D-70548 Stuttgart
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