

More than just good looks: Sto AG enhances its IT



Overview

■ The Challenge

Medium-term, complete conversion to mySAP.com for business processes, worldwide usage from a central site; optimisation of the infrastructure; code page conversion EBCDIC – ASCII for integrating Eastern European markets

■ The Benefits

The foundations for international SAP rollout have been put into place; for central administration of the worldwide standardised business processes; seamless, fast code page conversion; integration of the Eastern European subsidiary

■ The Solution

Upgrade and supplement the centralised iSeries platform.

Applikation: mySAP.com

Software: Lotus® Notes™, Domino™,

WebSphere®, Tivoli®

Hardware: IBM @server® iSeries™,

IBM @server pSeries™,

IBM Enterprise Storage Server™

Good looks, first class products.

The glances of passers-by in Stühlingen-Weizen close to the Swiss border are inevitably drawn to Sto AG: firstly by the (world's largest) coloured sphere on its central warehouse building, and secondly by the exceptional architecture of the k-shaped communications building at the headquarter.

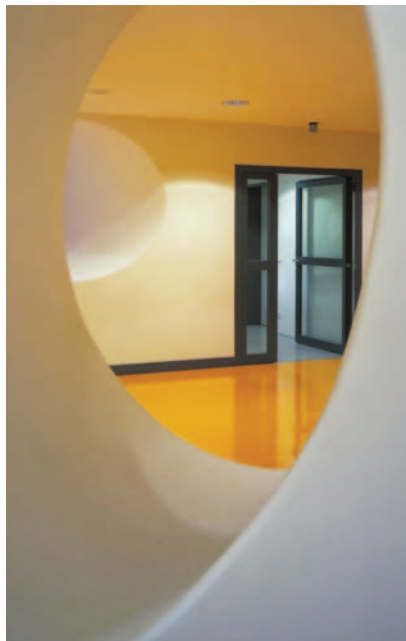
The company 'Zement and Kalkwerk Weizen' in Stühlingen, southern Baden, Germany, founded in 1835, has now become an international group of companies that produces high quality paints and plasters and that, thanks to innovation in its core business of façade insulation systems in particular, has achieved a world ranking status. Still a small family company in 1948, its international interests were developed at an early stage under its long-serving Managing Director, Fritz Stotmeister; the company chalked up consistent market success, for example with the production of synthetic resin plaster, the development of the first façade insulation system, high production capabilities and a high level of service. In the middle of 2002, Sto AG took over ispo GmbH, thus strengthening its market position worldwide. Expected total turnover for the group in 2002 is 650 million euro. There are around 3,900 employees in Germany and in the subsidiary companies in Europe, the USA and Asia. Sto supplies to over 30,000 customers in the trade.

Conscious construction.

Whilst the StoDesign-Studios for example work decentrally in order to meet national and regional preferences, Sto AG has consistently built its IT infrastructure centrally, primarily based on IBM products. All 140 Sto sites in Europe are connected to the central site. This is based on a conviction that availability and

reliability are indispensable. And standardisation: the strategic aim is to implement all the mySAP.com solutions and functions Europe-wide (and later worldwide) from a central site in Germany before the end of 2004.

"We have been using sales and planning software developed in-house and known as VPS for the past 12 years for business processes", explains Philipp Bellhäuser, Head of IT and Infrastructure at Sto AG. "Secure, reliable systems at a central site are simply less demanding. Our experiences with the iSeries as a hardware platform have been very positive. The seamless integration of operating system and database is excellent. Increased simplicity means fewer sources of error, fewer administrative demands and therefore more efficient operation. We had just one minor failure in the whole 12 years – I know other operating systems that can only dream of comparable reliability."



The future is mySAP.com for all countries.

To improve integration of the worldwide sales activities and the business partners, and to face the

Year 2000 problem, Sto AG decided in 1999, after careful testing of the alternatives, to rely in future on solutions from SAP. "In 2000 things ran precisely to schedule with the first modules in Germany, Austria and France in production", reflects Philipp Bellhäuser. Shortly afterwards, SAP R/3 was rolled out into all European subsidiaries.

Originally, the plan was also to cover the Eastern European code page in a second implementation for Poland. Running against the advantage of a highly integrative system such as the IBM @server iSeries was the uniqueness of the EBCDIC character set. Since 2001 SAP has been offering Global Language Support on the iSeries and now uses solely the ASCII character set. SAP R/3 Release 4.6C is the last release supporting EBCDIC and could be considered the intermediate point for the general implementation of ASCII code and the use of MDMP functionality for multiple code pages.

2002 was to be the year for intensifying SAP implementation activities. Upgrading to SAP R/3 Release 4.6C, commissioning new hardware components and the code page conversion were the main tasks for Philipp Bellhäuser's team.

Seamless conversion – Global Language Support for Sto international.

"Since the take-over of ispo GmbH we have a significantly larger subsidiary in Poland than our former company there", reports Philipp Bellhäuser. "The integration of this subsidiary company was the event that finally got the code page conversion project moving forward for us."

Sto AG took a highly pragmatic approach to this Eastern European

expansion of its business and consequently its linguistic environment. "We viewed the conversion as a manageable, purely technology-related project, comparable to a release change", remembers Philipp Bellhäuser. "We held talks with IBM and SAP concerning the requirements, and received excellent support and highly detailed experiential values that bore out their statements."



From the production system, Bellhäuser's team generated a stand-alone copy (sandbox) on which all the preparatory work was carried out. "It quickly became clear that there would be no problems during the conversion", said Philipp Bellhäuser. The advance assessments for the hardware expansions were even undercut in part. "We needed, as anticipated, more disk capacity for the database, a little more RAM and marginally more CPU power, but thanks to the special expansion offers from IBM and the SAP migration tools provided, everything progressed very easily and quickly." An IBM business partner undertook the process at the recommendation of SAP. After the pre-tests, a single weekend was all that was required to complete the system

conversion, without interfering with production operations.

Business processes with a new lease of life: gradual implementation of mySAP.com.

If code page conversion was one of the major moves towards the goal of 'comprehensive SAP usage', the plans relating to the further usage of new mySAP.com solutions progressed at a rapid pace. In the final expansion stage, Sto AG will use the SAP solutions for all important business processes: finance and controlling, human resources, sales and distribution, production planning, materials and quality management. An especially important area for Sto AG in product lifecycle management (mySAP PLM) is formula management. A special developer cockpit is available where the complex mix and components of the paints and varnishes are managed and maintained. In the environment, health & safety sector, mySAP PLM has been deployed for risk evaluation management and materials classification.

Philipp Bellhäuser: "Our organisation survives on continuous, technological enhancements in matters on final coats for walls and now also for floors. The SAP solutions enable us to manage and enhance our products in the most optimum way."

The second major phase of the project is now in the critical phase. The quality management system was activated in January 2003. The Customer Relationship Management (mySAP CRM) solution is still in the pilot phase, but is to be used primarily for customer management and acquisition. mySAP Business Intelligence is also meant to be simultaneously implemented and to enter productive operation during the course of 2003.

Sought, found: optimum configuration on the iSeries.

The long-term orientation of the IT strategy at Sto AG also set the conditions for the infrastructure and platform. A solution permitting the SAP system to be operated without large-scale retrofitting yet with the variety and bandwidth required in the final expansion stage was aimed at. And that means around 2,500 named users. At the end of 2002, the figure was around 500. Architecture and sizing expertise from IBM were in demand.

"IBM developed several alternatives for us for our future SAP platform", states Philipp Bellhäuser. "However, a solely Windows environment was not an option for us, much less a heterogeneous system environment. As we believe the iSeries is unbeatable in integration and administration, we decided to remain loyal and to expand and upgrade it."

The existing IBM **@server** iSeries 820 is the machine for the total of six test and development systems, SAP CRM 3.0, SAP BW 3.0 with 620 kernel, four SAP R/3 4.6C systems with 4.6D kernel – 3 of which with ASCII databases, and one with EBCDIC. All systems are running without trouble, and parallel on one partition. The i820 is very stable and upgrading is planned during the course of 2003 for performance reasons and as a production backup. An IBM **@server** iSeries 830 is used as the server for the in-house VPS, which will be superseded in the medium-term.

The production system, a brand new IBM **@server** iSeries 890 with 24 processors and 48GB of main memory has been running since January 2003.

In all project phases, the IBM Premier Partner Fritz & Macziol GmbH has

provided excellent service. The advantage here is the wide expertise available on all IBM platforms as well as storage in combination with infrastructure expansion and upgrading in the SAP environment.

Philipp Bellhäuser is clear on one point: "Our primary platform is and will remain iSeries. With its stability, reliability, and low administrative demands – only one staff member looks after all three systems – it forms the best basis for our business processes."

In addition, Sto AG is utilising over a dozen IBM **@server** pSeries for the areas of plant control technology, warehouse management, logistics and Web applications. IBM WebSphere is used for Web applications. The entire Web presence and the Internet portal are based on the WebSphere application server. Also part of the IT landscape are approx. 40 servers for Lotus Notes and Lotus Domino in all larger Sto sites in Europe.

State-of-the-art data backup concept.

In data backup, too, Sto AG relies on quality. "We have two IBM Enterprise Storage Servers (ESS)", explains Philipp Bellhäuser. "Both are designed for 3.2TB, and we can easily collect that much data. The mirror of our SAP systems alone on one of the two F20s

amounts to over 1TB of data. And naturally we use this storage solution with the Tivoli Storage Manager for other data as well, such as for our central Domino server. Planned for the following year are file servers and the other non-SAP applications." The two ESS have now been located in separate places for security reasons: well hidden within the extensive company site, directly connected to one another via fibre channel. During the course of 2003, the plan is to expand the system into a storage area network.

The best foundation for continued integration.

The Swiss subsidiary of Sto AG is set to begin the process on the 1st May 2003 with all the planned mySAP.com solutions with a big bang. For the parent company in Germany, the rollout date has been set for 01.01.04. The subject of linking and integrating business partners will be given priority, once the mySAP.com solutions have been implemented with full functionality everywhere in the company.

"Thanks to the standardisation of our business processes, we are now working much more economically and efficiently than when using the software solutions we developed ourselves. It is not just our business that profits; we in the IT area also benefit. With our clearly organised strategy and with good support from IBM and SAP we are delivering better quality to our customers – and as you know, for us quality is very important," smiles Philipp Bellhäuser.



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