



SABIC UK Wins Gold For SAP excellence

Introduction

SABIC acquired existing petrochemical facilities in the North of England and took the opportunity to analyse their SAP acquisition using West Trax Services, thus saving themselves £200,000+ per annum in reduced operational costs and earning the highest West Trax Award over the course of the three phase process. This case study highlights the SABIC process and their gold standard results for other SAP Users to consider. How would your SAP system fare? Do you know if you could make better use of your SAP assets?

Situation

Saudi Basic Industries Corporation is one of the world's leading manufacturers of chemicals, fertilisers, plastics and metals. In June 2007 SABIC completed the purchase of Huntsman Petrochemicals and the new entity was renamed SABIC UK Petrochemicals. With 850 staff, the company operates in Wilton and North Tees.

A successful program to clone the Huntsman SAP system was run by the newly formed SABIC UK IT team under ICT Manager Paul Ettridge - "This provided us with the ideal opportunity to optimise the SABIC system for effective and efficient support of the business in the new environment and to plan a system strategy and future upgrade path that might ultimately save a significant amount of money."

Intervention

SABIC selected the West Trax SAP optimisation solution to gain a detailed understanding of SAP system usage.

The West Trax methodology employs a 3 phase modular approach: -

-  Phase 1 – KPI Scan® establishes the system baseline and optimisation potential.
-  Phase 2 – KPI Optimiser® provides detailed optimisation information. Project specific modules address individual client requirements.
-  Phase 3 – KPI QA® quarterly analyses support quality assurance and continuous improvement.

Each phase is self contained. Clients receive a comprehensive report and presentation of results before committing to subsequent phases. The services require no software installation, and are non-intrusive. A KPI Scan® initial assessment is completed in approximately 10 working days from receipt of the client's data. A full KPI Optimiser® analysis requires approximately 20 days, depending on the scale and complexity of the customer's SAP implementation.

SABIC initially elected to perform a KPI Scan® analysis. The results were very good.

The system established new Measured Best Practice values for the Degree Of Standardisation and Custom Development Response Time KPI's. As a result SABIC qualified for a Bronze level West Trax Quality Award.



The KPI Scan® also highlighted several key areas for further improvement. As anticipated the cloned system contained significant levels of custom code that was not used in the new business environment. KPI Scan® calculations indicated that eliminating this overhead had the potential to reduce operations costs by £240,560 per annum.

Paul Ettridge decided to exploit these additional optimisation opportunities through a detailed KPI Optimiser® Custom Code analysis which identified unused or rarely used programs that could be eliminated. The SABIC UK SAP team implemented the resulting recommendations and followed this up with a West Trax KPI QA® analysis to verify that the changes had been effective.

Having completed the full West Trax SAP Optimisation cycle SABIC qualified as the first West Trax Gold Award Winner in the UK and the first in the petrochemical industry worldwide. Of almost 900 systems analyses performed to date by West Trax, the SABIC system is only the second to achieve this outstanding level of excellence.

SABIC qualified for GOLD in 6 of the 7 award disciplines measured by West Trax, establishing 3 new Measured Best Practices values in the process. This is the best result achieved to date in any West Trax analysis.

Results

SABIC achieved the following results using the West Trax methodology: -

1. Potential cost savings identified with KPI Scan®:	~ GBP 240 000
Savings realised after KPI Optimiser®:	~ 80%
	<u>Certification</u>
	<u>Status:</u>
	<u>Improvement /</u>
	<u>Status:</u>
2. Increased Custom Code usage frequency:	Gold ~ 15%
3. Reduced total Custom Developments:	Gold ~ 20%
4. Reduced unused Custom Developments:	Gold ~ 50%
5. Improved documentation of used programs	Gold * ~ 10% + New MBP
6. Degree of Standardisation:	Gold * New MBP
7. Custom Development Response Time:	Gold * New MBP

***New Measured Best Practice (MBP)**

Based on the above results Paul Ettridge states, "We are delighted with the improvements our team has produced with the assistance of West Trax. We are now able to demonstrate to the business proof of best practice in terms of cost efficiency, productivity, performance and quality. In addition we have identified opportunities to improve business process and extract even more value from our SAP system".

SABIC's optimisation project demonstrates how the West Trax optimisation methodology allows clients to maximise the value derived from existing and planned SAP investments. It provides them with independent factual data that supports: -

- Monitoring alignment of business and systems
- Optimisation of business processes
- Elimination of compliance exposures



- ↗ Reduced ongoing maintenance costs
- ↗ Minimised project costs
- ↗ Reduced project workload, duration, cost and risk
- ↗ Confident project scoping and costing
- ↗ Realistic budgeting
- ↗ Optimal use of resources
- ↗ Increased SAP landscape efficiency
- ↗ Ongoing optimisation and quality assurance
- ↗ Improved productivity, performance and quality

The West Trax SAP certification methodology and Quality Award allow client executives to objectively demonstrate delivery of superior value and minimised risk.

West Trax Added Value

- ↗ Independently certified evaluation methodology
- ↗ KPI QA® monitors ongoing trends in optimisation and alignment
- ↗ Executive level metrics in the form of strategic, business focused KPI's
- ↗ Benchmark comparisons with industry peers and best practice
- ↗ Quality Award provides recognition of industry leading optimisation levels

About SABIC

At the end of 2006, SABIC acquired petrochemical facilities at the Wilton International and North Tees chemical complexes in Teesside, UK. This manufacturing business operates a world-scale cracker at Wilton. There is also a paraxylene facility at Wilton, which is closely integrated with an Aromatics facility at North Tees. There are also substantial logistical facilities at Wilton and North Tees, including major storage capacity, a cross-country pipelines network, and substantial distribution and shipping services.

For more information please visit:

<http://www.sabic-europe.com/our-company/manufacturing/en/index.htm>

About West Trax

West Trax is a service provider delivering management consulting and IT consulting services. Founded in 2003, the company combines many years of international experience in the professional services business with state-of-the-art technology.

With KPI Scan®, KPI Optimiser®, KPI QA® and Benchmark Express®, West Trax offers solutions that help to increase the effectiveness of corporate processes and the performance of IT infrastructures. West Trax focuses on global SAP system optimisation.

For more information about the West Trax Way to SAP system optimisation please visit:

www.westtrax.com or contact David Long T: +44 (0) 1531 670325 E: dlong@westtrax.com