



GRUPAK

SEIZING THE LATEST IN SAP® SOFTWARE INNOVATIONS

QUICK FACTS

Industry

Mill products – packaging

Revenue

US\$65 million

Employees

660

Headquarters

Mexico City

Web Site

www.grupak.com.mx

SAP® Solutions and Services

Upgrading to the SAP® ERP 6.0 application for financials and other functionality

Implementation Partner

NOVIS S.A. de C.V.

Grupak, a sustainable company that supplies packaging products in Mexico, has run its business using SAP® software for nearly a decade. Grupak wanted the performance improvements and new features in the latest release of SAP software but was concerned about disturbing operations. The upgrade went smoothly, however, and finished early. Now Grupak enjoys greater speed, electronic billing availability, and many more improvements.

Key Challenges

- Attain all the new features and benefits of the latest release of SAP® software
- Extend the use of SAP software to 5 business units and consolidate overall financial operations
- Implement electronic billing
- Improve business processes based on best practices supported by SAP software
- Maintain stability during upgrade

Implementation Best Practices

- Confidence and comfort offered by NOVIS S.A. de C.V. for implementation, through training and module documentation
- Use of the SAP Solution Manager application management solution by NOVIS for project management, supported by ASAP methodology for implementation
- Escalation of implementation issues to off-shore partner experts

Financial and Strategic Benefits

- Expanded SAP software functionality to additional business units after electronic billing
- Expected consolidation of overall company financials in the future
- Attained functionality to support electronic billing
- Improved business processes by applying best practices
- Increased performance and responsiveness
- Increased personnel efficiency
- Avoided disruption to the business during upgrade

Why SAP Was Selected

- Prior investment in SAP software and excellent experiences with it
- Desire to take advantage of electronic billing and other financial management improvements
- Improved software performance
- Enhancements in best practices
- Potential to take further advantage of functionality in the SAP ERP application for greater integration and process transparency

Low Total Cost of Ownership

- Completed implementation under budget, 1 month ahead of schedule
- Lowered cost of maintenance, integration, and interfaces
- Capitalized on investment in SAP software

Operational Benefits

Key Performance Indicator	Impact
Monthly closing time*	-71%
Manual effort on issuing purchase orders*	-93%
Time to approve purchase orders*	From 5 days to real time
Time to generate reports*	From days to real time

*Compared to legacy software



“Our initial SAP software release delivered complete stability 24x7. Now that we have upgraded to SAP ERP, we enjoy the same stability but with much-improved performance.”

Emmanuel Ulibarri Millan, Chief of Information Technology and Communications, Grupak

Business and Technological Excellence Distinguish Grupak

Grupak is a 100% Mexican company with more than 50 years of experience in the paper and corrugated packaging industry, sharing the challenge of protecting and identifying thousands of customer products. The company has an exceptional record for on-time delivery and is a leader in sustainability. All of its products are made from 100% recycled fiber, and it processes the water it consumes through treatment plants, reusing up to 30%.

Historically, Grupak has been at the forefront of technology, investing in innovative machinery that has resulted in more efficient and faster operations. It is also a leader in its use of software to run the business, adopting SAP® applications almost a decade ago.

Upgrading to SAP ERP Promises More Benefits

The introduction of SAP software delivered profound benefits throughout the organization. Automation in purchasing, for example, reduced manual effort from 15 minutes per purchase order to one minute, and accelerated the approval process from five days to real time. Monthly closing, which had consumed seven days previously, became a two-day operation. Reporting, which was also taking days, turned into a real-time activity as well.

While the initial SAP software delivered all these benefits as well as operational

stability, Grupak realized that it had even more to gain by staying current with SAP technology. The firm wanted to expand the SAP software umbrella to five business units that were not using it, consolidate the units' financial results, and introduce electronic billing for the entire company. Realizing that these moves would be much easier using the latest functionality from SAP, Grupak became interested in the SAP ERP application as soon as it was released.

Fears of Business Disruption Prove Unfounded

While the benefits of upgrading were obvious, Grupak feared that operational stability would be adversely impacted during implementation. However, after contacting NOVIS S.A. de C.V., an SAP partner skilled in the use of SAP's most modern technologies, Grupak gained confidence that the upgrade would be smooth and painless. This was borne out when NOVIS finished under budget and handsomely ahead of schedule – in just 12 weeks instead of the projected 16 weeks. Key to this success was NOVIS's use of its off-shore expertise on issues that required escalation, as well as its use of the SAP Solution Manager application management solution for project management.

SAP ERP has proven to be a boon to Grupak in every way. The company is planning to use SAP software in five additional business units in order to consolidate their financials into a single corporate view. It upgraded its business processes to take advantage of the best practices that SAP ERP supports. This move, together with the

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new software's faster response time, has improved efficiency for all users. Even IT is benefitting due to lower costs for maintenance and easier integration with third-party products.

Grupak is still finding new ways to take advantage of its upgrade to SAP ERP. Next the company plans to perform a company-wide deployment of electronic billing and use the software's fixed-assets functionality to help its real estate company. With these and other new features, Grupak expects to increase information and process visibility and speed up decision making, helping it enhance its much-deserved reputation for technological and business prowess.

Implementation Partner

NOVIS is an international leader in providing world-class services for the complete lifecycle of SAP software including design, implementation, maintenance, and continuous improvement. All NOVIS services are based on SAP-supported best practices and standards.



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