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PRIMERGY IA Servers

ETERNUS GR700 series
storage system

FUJITSU

THE POSSIBILITIES ARE INFINITE

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THE POSSIBILITIES ARE INFINITE **FUJITSU**
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mySAP.com Case Study Zeon Corporation, Japan

Zeon used SAP in a 'big bang' way to re-energize its corporate core operations system. Dedicated support from Fujitsu made for a speedy implementation in just 18 months.



ZEON CORPORATION, a leading chemical company, has been running its mySAP.com (R/3 version 4.6C) ERP system since October 2001. Fujitsu's consulting team fully supported their successful cutover.

ZEON chose Fujitsu PRIMERGY IA Servers & ETERNUS GR700 series storage system because of their excellent cost performance and reliability. Since then, their new SAP system has been working smoothly and supports their standardized operations and efficient management.

SAP solved problems with the previous "in-house" system

ZEON CORPORATION was established in 1950 as a chemical products manufacturer. It has been operating businesses in synthetic rubber, latex, and chemicals including specialty chemicals. Recently, it expanded its business into new fields including electronic chemicals, imaging materials, specialty plastics and medical equipment.

As of February 2002, it had been using the SAP system for five months. "The system provides the same level of reliability we had on our mainframe," said Mr. Norio Murotani, a leader in the companies' SAP promotion office.

As to why ERP was introduced, he said, "Like many other companies, we



Mr. Norio Murotani, ZEON Corporation, leader of the SAP promotion office

traditionally hand-made many of the functions for our core systems and organically combined them based on our requirements. Recently these systems had become obsolete and we needed to spend 1 billion yen over a 2 to 3 year period per sub-system of our integrated core systems including sales, purchasing, and cost accounting. This would have suppressed our future business. Therefore, we introduced SAP as a drastic solution to this problem. Additionally, the fact that our competitors had started using it, industry expectations of our core systems kept changing, and some of our overseas subsidiaries were already using it, also affected our decision."

ZEON expects to standardize operations as well as reduce operational costs by using SAP. Mr. Murotani said, "At the point of introducing ERP, we standardized our operations as much as possible to meet SAP specifications. For daily operations, we have three targets, 1) work with the system, 2) process in real time, and 3) transact accurately, to thoroughly change the way of thinking of each employee. It is my intention that a change in the way of thinking of each employee will cause a change in traditional operations, which in turn will achieve more profitable structures on a company-wide basis."

A reliable vendor was chosen as prime contractor in the project

ZEON CORPORATION started its study of ERP several years prior to the implementation of the solution. From January to March 2000, they studied the upper layer in detail and decided to introduce SAP. They then implemented SAP from May of the same year to September of the following year.

Mr. Murotani said, "Since we received many contributions from Fujitsu in the initial study phase, we chose Fujitsu as our prime partner." ZEON's decision was backed up by the reliable relationship between ZEON and Fujitsu, developed through use of Fujitsu's Mainframe, and the coordinating capability of Fujitsu over other sub-contracted partners such as NTT DATA SCIENCE, DAIKO DENSHI TSUSHIN, and FUJITSU SYSTEM SOLUTIONS. In addition, ZEON INFORMATION SYSTEMS, a subsidiary of ZEON CORPORATION, also joined as a member of Fujitsu's consulting team.

Mr. Murotani recalled, "During the development phase, we worked with Fujitsu's consulting team at desks laid out side by side. When one of the ZEON members had a question, a Fujitsu team consultant returned an answer immediately. In cases where he could not find an answer, other consultants from Fujitsu's team helped him locate the answer. All team members from both ZEON and Fujitsu working together in the same room, with the same understanding of issues, enabled very comfortable and straightforward teamwork."

The priorities in platform selection were cost performance and reliability

ZEON chose Fujitsu's PRIMERGY IA Servers and ETERNUS GR700 series storage system as platforms based on their priority on cost performance and reliability. The system has the following infrastructure features:

1. The standard "log shipping" feature of Microsoft's SQL Server is used for low cost duplication of the database.
2. To improve the functionality of job monitoring, form printing, and fax distribution, popular ISV software including BSP's "A-AUTO", Accelio's (formerly JetForm) "AccelioPresent", and Topcall's "TOPCALL" were combined, respectively.
3. Fujitsu's SystemWalker systems management middleware is used to integrate and manage hardware, software (including the above ISV software), and the network. To maintain total reliability in the system, operations are being monitored 24 hours a day from Fujitsu's Tatebayashi Outsourcing Center.
4. The conventional postal mailing of "Certificate of Analysis" was changed to a web based electronic format so that customers can refer to and download information themselves. Mr. Murotani said, "This allows our customers to confirm inspection data for their orders before actual deliveries are made. Plus it reduces the bothersome work of sorting and storing documents. This is

ZEON CORPORATION

Headquarters: 2-6-1 Marunouchi Chiyoda-ku, Tokyo.
 Established: April, 1950.
 Capital: 24.2 billion yen (As of September 30, 2002)
 Total sales: 191.168 billion yen (For fiscal year 2001)
 Number of employees: 2,231 (As of September 30, 2002)
 Factory locations (in Japan): Takaoka, Mizushima, Kawasaki, Tokuyama.
 Description of business: Synthetic rubber, synthetic lattices, chemicals, specialty chemicals, specialty plastics, electronic chemicals, imaging materials, environmental materials, RIM products, and health (medical equipment). It was established as a manufacturer of vinyl chloride plastics with capital and technology provided from US B.F. Goodrich Chemicals Corporation. "ZEON" means, "eternally flourishing by obtaining materials from earth".
 URL: <http://www.zeon.co.jp/>



the first such trial in our industry and our customers have accepted it favorably so far."

Low cost and speedy implementation were achieved by minimizing add-ons

In ZEON's case, "speed" was one of their major concerns. A so-called "big-bang" approach was adopted. This meant that all key modules such as Financial Accounting (FI), Controlling (CO), Sales and Distribution (SD), Production Planning (PP), Project System (PS), Material Management (MM), Quality Management (QM), Business Information Warehouse (BW), and Workplace (WP) would be implemented at once. In all, it took just one and a half years for ZEON to start production.

Their success came from minimizing add-ons (additional program development). They set up the following criteria to decide the need for an add-on:

- (1) Is the add-on useful in reducing

the workload in its respective field? (2) Can the add-on improve services to our customers? Mr. Murotani said in referring to the advantage of the "big-bang" approach, "we did not accept even one add-on that just duplicated the ways of our conventional operation. This methodology allowed us to reduce both the period taken and the cost of implementing the SAP system."

SAP was deployed in group companies to achieve consolidation

The new SAP system has been working smoothly, but Mr. Murotani has more work to do. He said, "More important than introducing the system is to change the ways that employees think. We need massive energy to change conventional work practices that employees have used for years. We also have to continue studying better ways to utilize the data generated by SAP. Even good data does not make sense if we are unable to make good decisions based on it. I conclude that we will overcome such issues of human thinking and behavior eventually."

Mr. Murotani explained the next step in system planning, "Our next challenge is to deploy SAP in our group companies. We are planning to deploy the SAP system in four of our group companies in Japan by March 2003. ZEON INFORMATION SYSTEMS will then take the initiative based on experiences gained this time."

ZEON CORPORATION plans to utilize ERP for consolidating group company operations. "We are going to drive SAP deployment aggressively into our group companies using our SAP system as a prototype", said Mr. Murotani.

System Configuration at Zeon Corporation

