

A close-up photograph of a female scientist wearing safety goggles and blue gloves, holding a glass flask containing an orange liquid. The flask has volume markings for 100, 400, and 500 ml, and a percentage marking of 5%. The background is a blurred laboratory setting.

Galata: Competing Globally with Limited IT Staff and Infrastructure? It's No Problem with SAP® ERP

Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

Company

Galata Chemicals

Industry

Chemicals – specialty chemicals

Products and Services

Additives for the polyvinyl chloride (PVC) and associated segments

Web Site

www.galatachemicals.com

SAP® Solutions

SAP® ERP application
SAP GoingLive services

Partners

EntryPoint Consulting, Protera Technologies Inc.



How does a midsize chemicals company with a global staff – and limited internal IT infrastructure and employees – get up and running with business software in just 60 days? By adopting the SAP® ERP application as a hosted solution and leveraging best practices delivered by an SAP partner. With 24-hour access to best-of-breed functionality and operating at a fraction of the cost of an in-house system, Galata Chemicals LLC can now **compete effectively with its largest competitors.**

Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

Brand new, but built on a legacy of innovation

With the stroke of a pen, Galata Chemicals came into being as an independent company just over two years ago. But for almost 50 years, its products have been meeting the needs of customers around the world via production facilities owned by companies like General Electric Company and, most recently, Chemtura Corporation.

Galata continues its predecessors' storied legacy of innovation. It provides critical additives to vinyl building materials, giving siding, window casings, and other products the flexibility and strength needed to last for decades. The company is also a leader in environmentally friendly additives, such as epoxidized soybean oil, and specialized additives that make children's toys more safe.

The chemical company's 250-member workforce is a globally deployed team of highly technical and effective individuals committed to providing innova-



250

Employees worldwide

tive solutions. Galata's sales teams around the world work closely with the manufacturing teams to ensure that all products meet customer requirements. Just recently, this close collaboration has led to the introduction of a vegetable oil-derived paraffin wax substitute used in the manufacturing of candles.



Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

A global, cost-efficient operation – on paper

Virtually overnight, Galata went from being part of a multibillion-dollar global chemical giant to an independent company with only a fraction of the employees and an even smaller fraction of the budget. “When we became self-sufficient, we had to determine on our own how to support all of the business processes that a large global chemical manufacturer supports,” explains Phillip Andrews, director of information technology at Galata. “We also had to determine how to do all of it without the huge IT budget and huge teams of IT staff and analysts.”

In fact, Galata came into being without any software solutions or hardware infrastructure in place. This meant it had to quickly find a way to support manufacturing operations in the United States and

Germany, as well as sales units in Asia, Europe, and the Americas. “We make chemicals, not IT,” says Andrews. “So we wanted a solution based on industry best practices that could be deployed globally and tailored to our evolving needs without costly code development.”

Time was also a critical factor. Galata needed to have a complete enterprise software solution fully supporting its global workforce in just 60 days to avoid a potentially adverse impact on its business. To achieve this, the company not only needed the right partner, it needed the right software and mode of delivery. That’s why Galata opted for the SAP ERP application and chose to deploy it as a hosted solution.

“Around the world, we face the same compliance and business requirements of the top global chemical companies. But we don’t have their staffing and budget resources. That’s why our IT has to be leaner and meaner than the competition.”

Phillip Andrews, Director of Information Technology, Galata Chemicals LLC



Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

Supporting major league operations with minor league TCO

As a midsize chemical company, Galata required a software solution that would support a global operation and customer base while keeping cost of ownership very low. SAP ERP provided Galata with the immediate multicurrency, multilingual, and multicultural functionality it needed to compete with much larger chemical industry players. Galata also would benefit from a global labor market that was already familiar with SAP software interfaces and workflow. "Whether it's our employees in Louisiana or our employees in Lampertheim, they all know SAP software," says Andrews.

Galata also liked the fact that SAP ERP evolves with the latest changes in the chemicals industry and has the flexibility to support the company's endeavors

into different markets, and even different industries. "I can get a call tomorrow saying that we are tripling in size in two months, or starting a whole new business in countries we've never operated in before, and I don't have to worry," explains Andrews. "I have a solution that's scalable and flexible enough to support that level of change."

Another key benefit for Galata is the application's ability to support global operations in a fully hosted environment. This would help ensure that Galata's highly mobile and globally deployed workforce would have full access to critical functionality; it would also eliminate the company's need for internal IT support staff and infrastructure.

"What I love about SAP software is that no matter what direction our business takes, I never get to a point where I have to say I can't."

Phillip Andrews, Director of Information Technology, Galata Chemicals LLC



Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

Around the world in 60 days

With only 60 days to deliver a complete and fully operable IT infrastructure, Galata needed an SAP partner with the resources and skills to leverage rapid-deployment best practices and a hosting partner with the experience and technical know-how to get it done. It teamed with EntryPoint Consulting for the implementation and with Protera Technologies, Inc., which not only had the experience in hosting solutions but the prepackaged services that would help reduce the risks involved. “We had a tight time frame in which to establish a reliable IT infrastructure along with ongoing support for our users around the world,” says Andrews. “It was a Herculean effort that required all parties working in complete lock-step to ensure delivery on time and within budget.”

EntryPoint and Protera worked quickly with Galata to understand all aspects of the SAP and non-SAP software landscape, including number of users and transaction volumes. While EntryPoint focused on ensuring a rapid implementation, Protera deployed Galata’s infrastructure in a highly secure, tier-one data center located in Chicago. The data center supports Galata’s rigorous internal and external audit requirements. In addition, Protera performed rigorous testing to make sure that Galata staff around the world could access the deployed applications – from home, the workplace, or anywhere else users can get an Internet connection.

“EntryPoint and Protera remained flexible, dexterous, and deft at adapting to requirements at a moment’s notice. It was truly a results-based endeavor.”

Phillip Andrews, Director of Information Technology, Galata Chemicals LLC



Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

An agile, flexible solution for an agile, flexible workforce

Today, over 80% of Galata’s business processes are supported by SAP ERP. “We are totally dependent on SAP ERP for transactional processing,” explains Andrews. “The application is the source for all our reporting and master data.” The software also supports Galata’s strategic efforts to ensure superior customer satisfaction and operational excellence.

Sophisticated monitoring tools automatically notify both Galata and its hosting partner of issues regarding the security of the application or any connectivity problems. Says Andrews, “I was recently at a dinner with our Louisiana staff, and I received an alert through my iPhone that our German facility had

dropped connectivity with the data center. By the time dessert came, connectivity was restored. No one in Germany even realized there was a problem.”

In addition to Galata’s employees, the company’s contractors and partners can gain access to the software anytime and anywhere. “Many users are part of our extended family of distributors and the like,” observes Andrews. “Essentially, all you need is access to the Internet, which is a great asset for a mobile workforce operating in remote areas like along the gulf coast. Uninterrupted online connectivity also helps ensure business continuity.”

“Having the combination of scalable software like SAP ERP in a highly reliable and responsive data center is perfect for us. In fact, since deployment, we’ve achieved a service uptime of over 99.9%.”

Phillip Andrews, Director of Information Technology, Galata Chemicals LLC



Executive overview

Company

Vision

Why SAP

Implementation

Solution

Benefits

Focused on operational efficiency

With SAP ERP deployed as a hosted solution, Galata is meeting its cost-reduction goals, which helps it compete more effectively. "We operate our IT at a fraction of the cost of our larger competitors," says Andrews. "Where a typical company may spend more than 3% of its revenue on IT, we are spending less than 1%. And we expect that figure to go down even further."

Galata enjoys predictable monthly costs for its hosted SAP ERP application. The only internal IT support the company needs is a single point person at each Galata manufacturing facility to receive automated alerts and verify resolution. And because Galata's workforce is fully familiar with SAP ERP interfaces, there is no need for user training.



<1%

Of revenue supporting IT

"We have a focus on cost minimization, so we are continuing to find ways to lower the ownership costs of our IT," concludes Andrews. "At the same time, we have the agility we need to expand our operations with minimal cost and complexity."

