



# GLOBALLY OPTIMIZE SAP SYSTEMS FOR ONGOING MERGER & ACQUISITION >>

## Business challenges call for SAP optimization

Arizona Chemical is the world's leading biorefiner of pine chemicals. Located in Jacksonville, Florida, Arizona Chemical provides natural pine-based materials to customers in many diverse markets including adhesives, inks, coatings, roadmarking, tires & rubber, personal care, lubricants, fuel additives, mining and oilfield.

In 2008, Arizona Chemical was preparing for ongoing merger and acquisition activities along with the selection of a globally-optimized ERP system. Atos Origin North America was chosen as the preferred partner for the implementation of SAP's Chemicals Best Practices across all of Arizona Chemical's operations in the United States and Europe.

# SAP PROVIDES GLOBAL VISIBILITY INTO INVENTORY, PRODUCTION AND SALES

In March 2007, Arizona Chemical was sold by International Paper to the private equity company Rhône Capital to enable the company's further growth. In 2009, Arizona Chemical acquired Abieta Chemie. Along with this activity, came a collection of independent, complex ERP systems (legacy SAP and Movex ERP systems). If Arizona Chemical was going to achieve their goal of becoming the world's leading bio-refiner, they would need to standardize their ERP systems into a single global system.

## TRULY GLOBAL PROJECT

Atos Origin used key resources from around the world to take part in this implementation. Atos Origin North America took ownership of the project. Based on the Atos Origin front office / back office model, development work was performed by Atos Origin India. Atos Origin NL, DE and UK groups also had key resources giving their time to the implementation.

In order to homogenize the project, all Arizona Chemical's organizational structures across the globe were included in the project. The goal of a successful implementation was measured on being able to offer the company aligned data and information structures such as Master Data related to Materials, Suppliers and Customers, BOMs and Recipes.

Similarly, by using this approach and by involving Subject Matter Experts from all geographical areas the standardization of the business processes was achieved. This way all Arizona Chemical business entities would conduct business the same way. They would also use the same data in the areas of Finance, Controlling, Planning, Manufacturing, Sales, Transportation, Procurement and Plant Maintenance.

Not only did Arizona Chemical want to align their internal resources and data, they wanted to align with the Chemical Industry in general. In order to align with the industry, SAP Chemical Best Practices was adopted.

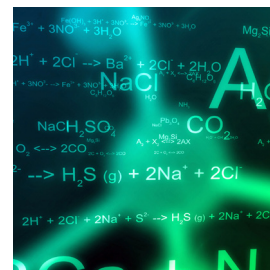
## SAP CHEMICALS BEST PRACTICE

The Chemical's package represented the starting point for the blueprint of the entire Arizona Chemicals solution. This package was designed by industry experts. Atos Origin is one of the few companies who can fully implement the solution. Benefits of the best practice solution:

- » A proven methodology that leverages a reusable prototype approach to implementation
- » Thoroughly documented scenarios that detail both business and technical perspectives
- » Proven pre-configurations for SAP solutions
- » Guidelines for adapting SAP techniques to meet your organization's specific requirements, and for using these techniques to develop customized SAP and non-SAP hosted solutions

## ADDITIONAL FUNCTIONALITY

- » Finance (Assets, GL, AP, AR, VAT and US taxation, Banking Interfaces, implementation of the Single Business Entity (SBE) concept for the European sites)
- » Controlling (Cost Center Accounting, Product Costing, Internal Orders)
- » PA (Profit and Loss Accounting, Profitability Analysis)
- » BPC (Business Planning and Consolidation)
- » Sales (Order Management, ATP, Pricing, Billing)
- » Logistics (Delivery and Transportation with Automatic Batch Determination and interfacing with third party systems for shipment freight cost)
- » Planning (Demand Planning, Forecasting, MRP)
- » Manufacturing (Process Orders, Batch Management, Order Confirmation)
- » Quality Control (Results Recording, User Decision, Certificate of Analysis)
- » Procurement (Requisitions, Approval Workflow, Services, Orders, Contracts)
- » Warehouse Management (Barcode Scanning for Automated Put away for GI or GR, Automatic Bin Selection)
- » Plant Maintenance
- » BI reporting through Crystal



Although most of the functionality was kept SAP vanilla, there were developments done to accommodate very specific Arizona requirements, mostly around Primary Raw Materials handling, Order Confirmation and Master Data maintenance Workflows. Besides the English format all the forms and outputs had to be translated in Swedish, Finnish, French and German.

**“ONE OF THE CORNERSTONES OF THE PROJECT IS THE REVIEW AND UPGRADE OF OUR BUSINESS PROCESSES. THAT MEANS WE ARE TAKING A CRITICAL LOOK AT THE WAY WE WORK.”**

Kees Veerhar – President and CEO Arizona Chemical, February 2009

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