



Management of business process bottlenecks during period of rapid growth, supported by SAP

## SAP® related business process optimization at SABIC

### About SABIC Europe

SABIC Europe is a SABIC subsidiary (Saudi Basic Industries Corporation) that includes all SABIC petrochemical activities in Europe and employs around 3,200 people. In 2007, SABIC Europe realized a turnover of € 8.5 billion.

Headquartered in Sittard, the Netherlands, SABIC Europe has a European wide network of sales offices and logistic hubs, as well as three petrochemical production sites in Europe: at Geleen (the Netherlands), at Teesside (United Kingdom), and at Gelsenkirchen (Germany).

▶ [www.sabic.com](http://www.sabic.com)

SABIC Europe's ambition is to be one of the strongest petrochemical companies in Europe, based on backward integration in olefins, cost leadership, and growth. To cope with this growth and enable successful consolidation of different companies, dealing with IT and organizational differences, a transparent business model and business process are required. The ARIS Platform was used to enable this. ARIS has proven to be a success factor for the SAP Certified Competence Centre (CCC) in Europe. In the Kingdom of Saudi Arabia SABIC also started a global Business Process Management project to improve the performance of the logistic processes. IDS Scheer is chosen as the preferred supplier.

### Business Challenges

- ▶ Increase production capacity (50 %) in about 4 years
- ▶ Identify and solve the bottlenecks (logistics, technical, financial and human resources) in the business processes that occurred and will occur by growth
- ▶ Keep total control of business in a dynamic environment (according to principles Six Sigma)

### Solution

- ▶ Synchronization by SAP Solution Manager & ARIS Business Architect for SAP for one single view on reality
- ▶ Use the SCOR reference models in ARIS
- ▶ Use best practices of past SAP implementations
- ▶ Use of ARIS Redocumentation as quality check on SAP and Solution Manager usage
- ▶ Use of ARIS ProcessWeb for communication

### Customer Benefits

- ▶ Less time-consuming communications
- ▶ Improved speed and quality of project
- ▶ Improved business process awareness in the company
- ▶ Process oriented SAP projects increased the quality of work

### ARIS Platform Products

- ▶ ARIS Business Architect for SAP
- ▶ ARIS Simulation
- ▶ ARIS Web Publisher
- ▶ ARIS Redocumentation
- ▶ ARIS BI Modeler



„You need ARIS to determine & model the different aspects of the business processes and Solution Manager to support & improve your SAP system. When using different structures and versions, miscommunication with its corresponding deficiencies will be certain. That's why we use the integrated solution of ARIS and SAP, called ARIS Business Architect for SAP, and standardized on the business language. It is all about speaking the same language and discuss about the same book. “

Peter de Esch, Manager, SAP Customer Competence Center, SABIC Europe

## Business Challenges

The Business Process Analysis (BPA) program at SABIC Europe started in 2005. SABIC faced the following challenge:

- ▶ Increase production capacity (50 %) in about 4 years
- ▶ Identify and solve the bottlenecks (logistics, technical, financial and human resources) in the business processes that occurred and will occur by growth
- ▶ Keep total control of business in a dynamic environment (according to principles Six Sigma)
- ▶ One view on reality to be able to optimize business processes, SAP usage and IT maintenance

With the objective to tremendously increase production capacity and become one of the main European players by 2010, SABIC Europe needed more sophisticated BPM and IT support to realize its strategic growth successfully. That's why SABIC chose to work with the ARIS Solution for Process-Driven SAP Management from IDS Scheer to enable the BPA projects of the SAP CCC and to support the business.

## Solution and use of ARIS Platform products

The BPA project started in 2005, it is still running in 2008 and keeps running for the coming years. The project phases are partly taken over from the Six Sigma approach. SABIC did cherry picking, using the best of several methodologies, also SAP's ASAP methodology and work packages of ARIS Value Engineering are used. At this moment SABIC is in the change phase.

**Define phase:** In this phase the project plan is made, the workshops for the next phase are prepared and a starting point for process modeling was created based on the SAP reference models and the SCOR model provided by IDS Scheer.

**Measure phase:** This phase is supported by several workshops (>50) with end users and SAP key users using ARIS in the workshops for documentation of business processes. The performance of the modeled AS-IS processes are measured and the figures are also put in ARIS.

**Analyze Phase:** Based on these measures the constraints (both IT and process related) and the causes of these constraints are determined and put in ARIS to reuse in the next phases. Based on the causes they developed solution directions that solve the constraints. In this phase they used ARIS Simulation to evaluate the different solution directions for their harbor case.

**Improve phase:** The preferred solution directions are combined and converted into business cases. Several business cases have been judged. Based on this SABIC decided which and when new projects will be implemented. Here was also taken into account the damage and costs of doing nothing.

**Change phase:** The phase started at the end of 2006 and will continue until mid 2009. At the start of this phase the process models were synchronized with the SAP Solution Manager. In this way SABIC has a solid base for using the SAP Solution Manager

and ARIS in a process based way during the change phase of the projects. The process structure in Solution Manager will be the basis for all project documentation.

ARIS Redocumentation is used to check the quality of existing process documentation of SAP processes in ARIS and to add missing process descriptions, customized transactions, document types and enterprise structures.

Peter de Esch, Manager SAP CCC SABIC Europe says: "ARIS Redocumentation gave SABIC Europe in a short time insight in the completeness and quality of our current ARIS end-to-end process models, leading to a good starting point for realizing the next steps of Business Process optimization."

The implementation of changes will follow the SABIC Europe priority statement. In the Go Live ARIS ProcessWeb based on ARIS Web Publisher supports the end users as a central point of information.

## Customer Benefits

- ▶ A BPM/SAP knowledge center for SAP CCC and Process Owners / Key Users has been created and proved to be successful
- ▶ Improved communication on transparent business processes between IT and business that resulted in less time-consuming communications
- ▶ Integrated actual documentation that resulted in improved speed and quality of project implementations
- ▶ Improved business process awareness in the company: basis for BPM
- ▶ Process oriented SAP projects increased the quality of work
- ▶ Easier design and impact analyses for TO-BE scenarios, which will be continuously created in a very fast growing business
- ▶ For new SAP roll outs or alignments at mergers the current ARIS processes form the template for process implementation

*"To evaluate the different solution directions for the constraints in our harbor (where we load and unload our vessels with chemical products) we used ARIS Simulation on our existing ARIS business processes. Based on the results we advised to increase the pumping velocity and to improve the planning of our jetties. This solution came out as the best solution instead of increasing harbor capacity by building additional jetties. This analysis was a big success getting the business involved in process optimization."*

Richard Aerts, project leader ICT SAP CCC