



Business Challenge

Vivo Energy's rapid expansion generated major data growth, but existing business systems could not provide much-needed insight and analysis that would help fuel further development.

Transformation

Vivo Energy engaged IBM Services™ to implement SAP S/4HANA®, powered by IBM® Power Systems™ and IBM Storwize® V7000, as well as a range of complementary cloud-based SAP applications.



Mike McCormick
CIO
Vivo Energy

Business benefits:

Transforms

Vivo Energy's ability to launch new initiatives, slashing time-to-value

Boosts

data analysis capabilities, giving granular insight into operations

Drives

automation, boosting efficiency and freeing employees to spend more time on value-add tasks

Vivo Energy

Fueling future growth by boosting efficiency, unlocking operational insight and minimizing risk

Vivo Energy is a market-leading pan-African fuel retailer, operating and marketing its products under the Shell brand in countries across North, West, East and Southern Africa. The company has a network of more than 1,800 service stations in 15 countries and exports lubricants to other African countries.

"We are deploying SAP S/4HANA on IBM Power Systems for the growth avenues that it opens. We are still at the start of this process, but it is clear that SAP S/4HANA on IBM Power Systems will be the foundation for our future development."

Mike McCormick, CIO, Vivo Energy

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Fueling Africa's future

Vivo Energy is the market leading pan-African retailer and distributor of Shell-branded fuels and lubricants. At the end of 2018, the group had a network of over 1,800 service stations in 15 countries across Africa, also exporting lubricants to a number of other African countries. Its retail offering includes fuels, lubricants, card services, shops, restaurants and other non-fuel services, such as oil changes and car washing. It also provides fuels, lubricants and liquefied petroleum gas (LPG) to business customers across a range of sectors including marine, mining, construction, power, transport and manufacturing. The company sells jet fuel under the Vitol Aviation brand.

In 2018, the company employed around 2,360 people and had access to approximately 943,000 cubic meters of fuel storage capacity. The group's joint venture, Shell and Vivo Lubricants B.V., sources, blends, packages and supplies Shell-branded lubricants and has a blending capacity per annum of around 158,000 metric tons in six African countries.

As a result of its rapid expansion, Vivo Energy needed to find a way to improve its enterprise resource planning (ERP) systems.

Mike McCormick, CIO, Vivo Energy, elaborates: "We were encountering a number of data management issues arising from our legacy IT systems, which were adding complexity to our operations and preventing us from reaching our maximum potential.

"We are focused on continuing our remarkable growth story, and to achieve this, we decided to transform our approach to business management and look for ways to enable the comprehensive operational insight that we desired. Following a thorough review, we chose to launch a new ERP system to help integrate our core applications, improving productivity and analytics. Additionally, this new system would help deliver a more modern, user-friendly and integrated experience for our customers and employees."

Landmark implementation

To support its development and gain greater strategic oversight of its operations, Vivo Energy chose to deploy [SAP S/4HANA](#) with a new implementation, including the SAP S/4HANA Oil & Gas, SAP S/4HANA Retail, SAP S/4HANA Finance and SAP S/4HANA Supply Chain modules. The company used SAP Master Data Governance to manage data centrally from across the entire enterprise, and transformed its employees' user experience with the modern, user-friendly [SAP Fiori](#) interface.

SAP S/4HANA Oil & Gas will enable Vivo Energy's staff to manage inventory more efficiently and automate and optimize logistics processes, among a range of other functions.



The SAP S/4HANA Retail module SAP Customer Activity Repository will streamline service station activities by centralizing sales data and preparing it for real-time analysis. This will enable the company to forecast demand to help increase customer satisfaction, while improving sales efficiency.

To improve human resources (HR) capabilities and productivity, Vivo Energy is implementing [SAP SuccessFactors®](#) in the cloud. The SAP Success Factors Employee Central module will enable Vivo Energy to monitor employee performance with rapid and ultra-granular analytics capabilities. Greater insight into employee performance will also help standardize and optimize HR activities across all regional divisions, leading to improved time management and enhanced succession planning.

To support efficient hiring, training and talent development, Vivo Energy also decided to deploy SAP Success Factors Onboarding, helping to drive employee retention.

To help sales and customer service teams manage customer relationships and minimize lost leads, Vivo Energy deployed [SAP Cloud for Customer](#), enabling employees to address customer queries quickly and effectively. Vivo Energy also deployed [SAP Integrated Business Planning](#) to optimize its use of resources across its supply chain. SAP SuccessFactors, SAP Cloud for Customer and SAP Integrated Business Planning are Software-as-a-Service (SaaS) solutions, deployed in the cloud.



Vivo Energy was one of the first oil and gas companies of its size to deploy the full suite of SAP S/4HANA applications alongside SAP SuccessFactors, SAP Cloud for Customer, and SAP Integrated Business Planning in one integrated, end-to-end platform. The company selected [IBM Services](#) to assist with the implementation.

Mike McCormick recalls: “We selected SAP S/4HANA because of its excellent regional and sector credentials: more than 150 African companies in the sector use the solution, along with 85 percent of the oil and gas industry. We were impressed by the solution’s strong functionality across all of our business divisions, its intuitive user experience, and scope for automation.

“However, the most important factor was the simplicity that SAP S/4HANA provides. The limitations of our previous solution meant that we often generated multiple copies of the same dataset, which added complexity to our operations. Now that we are working with an end-to-end integrated SAP S/4HANA solution, we benefit from a single source of truth across the entire organization, which simplifies data management considerably.

“We felt that IBM was the best partner to support the implementation, taking the time to get to know our business needs in depth, which was reflected in the IBM proposal. IBM has years of experience implementing SAP S/4HANA, including for many leading businesses in Africa and in the oil and gas industry, which reassured us, given the ambitious scale of this implementation.”

From planning and design to implementation and go-live, IBM Services completed the deployment on-time and on-budget, working with Vivo Energy employees across the business to establish a global implementation template. Using the SAP Activate implementation methodology, Vivo Energy and IBM chose a ‘Big Bang’ approach, with more than 40 application components enabled simultaneously. The SAP S/4HANA solutions are currently active in two countries, and Vivo Energy has plans to roll out the solutions across other locations by the fourth quarter of 2019.

“We were very impressed with how IBM adapted to our work ethic; it was as if we were one unified team. Meeting the ambitious implementation timeframe we set for ourselves required strong leadership, and IBM Services is living up to our expectations.”

“We look forward to continuing to explore our integrated SAP solution with expert assistance from IBM Services.”

Mike McCormick

CIO

Vivo Energy

Benefits in detail

- Transforms Vivo Energy’s ability to launch new initiatives, slashing time-to-value
- Boosts data analysis capabilities, giving granular insight into operations .
- Drives automation, boosting efficiency and freeing employees to spend more time on value-add tasks

Key components

Applications: SAP S/4HANA®, SAP S/4HANA® Oil & Gas, SAP S/4HANA® Retail, SAP S/4HANA® Finance SAP S/4HANA® Supply Chain, SAP® Cloud for Customer, SAP Fiori®, SAP Integrated Business Planning, SAP Master Data Governance, SAP SuccessFactors®

Software: SUSE Linux Enterprise Server for SAP Applications

Hardware: IBM Power® Systems S824L, IBM Storwize® V7000

Services: IBM Services™, IBM Systems Lab Services

Power to do more

To support its new SAP S/4HANA solution, Vivo Energy deployed four IBM Power Systems S824L servers running the [SUSE Linux Enterprise Server for SAP Applications](#) 12 operating system. Two servers sit in each data center, using logical partitions (LPARS) to provide separate virtual machine environments. The LPARs support the SAP S/4HANA industry solutions for Oil & Gas and Retail, SAP Customer Activity Repository, and associated orchestration and solution management services.

The two servers within the primary data center provide automated failover: if the data center is hit by catastrophe the services failover to the second data center. The company also implemented two all-flash IBM Storwize V7000 arrays for data storage, configured as a redundant array of independent disks to ensure high availability, and engaged IBM Systems Lab Services to architect the application environment. IBM Business Partner Blue Chip served as hosts for the hardware.

Vivo Energy was also one of the first customers to deploy SAP HANA 2.0 using multi-tenant database containers on SUSE Linux Enterprise Server for SAP Applications 12 with this combination of industry solutions, and including on-site disaster recovery.



As Vivo Energy was new to SAP, the company requested help with understanding the possible on-premise and off-premise options for hosting its new SAP workload. The IBM team ran workshops to demonstrate the considerable processing power required to run SAP S/4HANA compared with Vivo Energy's previous solution, and provided a test system to demonstrate the IBM Power Systems servers' unmatched capacity to run SAP S/4HANA. Following the successful deployment, the IBM team was retained to provide ongoing support and training to the Vivo Energy IT team.

Mike McCormick explains: "For a business transformation exercise of this scale, it was vital that we had the right infrastructure to support us. We chose to implement IBM Power Systems because they provide the major processing power that we need to run our integrated SAP S/4HANA solution, and were cost competitive. Our IBM Power Systems S824L servers provide ample processing power for our needs, offering reliable and scalable support for our future growth, while the IBM Storwize arrays ensure 99.999% availability, dependability and security."

"The support that IBM Systems Lab Services provide, both in the deployment and the ongoing knowledge transfer sessions they are completing with our IT team, is proving vital in our ability to conduct efficient maintenance on our hardware and ensure the high performance of SAP S/4HANA."

Driving business transformation

Vivo Energy expects SAP S/4HANA on IBM Power Systems and IBM Storage to fundamentally enhance its ability to grow and develop new business initiatives as it continues to explore the full scope of the solution with IBM Services.

Mike McCormick remarks: “By implementing SAP S/4HANA, IBM Services isn’t simply upgrading our technology – it’s helping us to undergo a business transformation program.

“We are deploying SAP S/4HANA on IBM Power Systems for the growth avenues that it opens up. We are still at the start of this process, but it is clear that working with IBM Services to exploit the full potential of SAP S/4HANA on IBM Power Systems will be the foundation for our future development.

“Our integrated solution enables us to develop initiatives efficiently, and slashes the time-to-value for new projects. The solution will also boost productivity and improve data quality, as our employees can now work on a single, unified platform for the first time.

“Working with IBM Services, we will use SAP S/4HANA to automate many administrative tasks and workflows, reducing data input errors and enabling staff to focus on productive, value-added activities and engage more with customers.”

Using the embedded analytics engine of SAP S/4HANA, Vivo Energy will be able to track the performance of each of its locations to help drive decision-making and create an intelligent enterprise that responds actively to customer demand.

The implementation is live in two sites, and as Vivo Energy works with IBM Services to deploy it to more locations the organization will be able to conduct more detailed analytics, empowering employees to make fact-based decisions.

Vivo Energy’s service station dealers will also feel the benefits from the company’s new solution. SAP S/4HANA will predict demand for particular products and automate replenishment, meaning that the risk of goods being out of stock at retail sites will be reduced. With assistance from IBM Services, Vivo Energy will use SAP S/4HANA to help increase customer focus, simplify its processes and transform it into a smarter, faster and more efficient company.

Mike McCormick concludes: “In recent years, we have seen extraordinary growth, and with our SAP S/4HANA solutions running on IBM Power Systems, this is set to continue. We look forward to completing the deployment to all our locations, and to continuing to explore and exploit the full capabilities of our SAP software to provide integrated, end-to-end solutions, with expert assistance from IBM Services.”

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