

Global Manufacturer Succeeds with Worldwide ERP Deployment by Switching to Third-Party Support



Client Profile: Founded in 1927, Coventya is an eco-conscious manufacturer of specialty chemicals for the surface finishing industry. The electroplating expert serves OEM manufacturers in a variety of industries, distributing its surface treatment products across 60 countries and five continents.

Industry: Manufacturing

Geography: Headquartered in Villeneuve-la-Garenne, France with 12 manufacturing sites and 10 research and development centers worldwide

Employees: 800

Supported Products/Applications:
SAP

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Alain Saguez specializes in transformations. The IT industry veteran has been involved in more than a dozen transformative projects throughout his career. Certified in IT Service Management (ITSM) and the Prince2 project management methodology, Saguez brings rigor and precision to making IT a tangible differentiator.

Saguez reflected on his 2019 move to Coventya: "The company is in a state of perpetual growth and transformation. Our core business is innovation, using R&D to discover processes to sustain our future success," he shared. "The attraction was to transform the IT team into epitomizing Coventya's collective goal of creativity and leadership."

Challenging the Status Quo

Over the last few years, Coventya recognized the importance of adopting a global approach to business but acknowledged the need to accommodate local conditions in regional markets. Standardizing processes across Coventya's multinational environment proved to be one of the biggest challenges for the new IT director. Before Saguez was hired, each regional IT function worked autonomously. He commented, "We were running SAP at headquarters, but we also had five different ERP systems in operation around the world. For a company of our size, this was absurd."

Saguez embarked on an initiative to standardize all operations onto a single SAP instance. However, he was met with resistance: "There was a pervasive perception that running SAP was far too expensive and very labor-intensive. People just didn't think it had a place at Coventya."

The SAP instance at headquarters was maintained by a small team backed by a substantial SAP support contract. "To overcome the obstacles and gain widespread approval necessitated a dramatic cut in expenses coupled with significantly elevated services levels," reflected Saguez.

Coinciding with Saguez's appointment at Coventya, global trade sanctions had been imposed that were causing significant disruptions to the automotive industry — the company's biggest single line of business. He reemphasized, "Reducing costs became absolutely critical to the company's survival."

A Paradigm Shift

The Coventya team unsuccessfully attempted to renegotiate existing SAP annual contracts before pursuing a more resourceful approach: "There is a misnomer that support must always be purchased from the original application provider," said Saguez. "We already owned the rights to use SAP, so we researched the feasibility of obtaining SAP maintenance and support outside of the original purchase agreement."

Benefits

- Successfully executed centrally managed SAP global rollout:** Replaced support from SAP with third-party ERP support and made global deployment of SAP a viable proposition.
- Enhanced levels of service quality and business continuity:** Increased agility of in-house team by backing it with an external world-class ERP support organization.
- Established company-wide IT governance model:** Delivered consistency and alignment across the entire organization through a standardized set of global processes and business rules.

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For More Information

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The strategy of implementing non-SAP-supplied support proved to be a pivotal moment for Saguez and Coventya. "Moving away from SAP support immediately reduced our annual SAP-related costs by more than 50% and simultaneously enabled us to enhance the service levels we could offer the company," Saguez explained. "This quickly started to change people's opinions about the viability of SAP as our long-term ERP platform."

Moving Mountains

The savings and resource reallocations have given Saguez's team the capacity to complete several focused, high-impact projects, such as a master data management (MDM) initiative and an SAP password reset program. "We recently published a company-wide set of SAP maintenance support processes to make a strong statement around thinking globally. A year ago, regions were making decisions completely independent of one another. Now, we evaluate changes from a global vantage point to make sure everything aligns with Coventya's overall objectives. What seemed unthinkable twelve months ago is really happening," emphasized Saguez.

Saguez has begun to invest the savings resulting from independent, third-party ERP support into other initiatives to further expand SAP to new locations, including Germany and Korea. He enthused, "We've been able to build up enough credibility that we're now centrally managing the company's ERP deployments. This enables us to align each implementation with our core model and ensure that business rules are consistent everywhere in the world."

Rimini Street: A Partner and a Promise

For Saguez, transformations are the cumulative effect of numerous smaller changes; however, he highlighted the transition away from SAP support as being noteworthy: "Even beyond the significant savings, the key factor in partnering with Rimini Street was the promise of a better standard of support. Without quality service levels, however much money you save is irrelevant," Saguez acknowledged. "I have a strong belief in the Rimini Street methodology as it aligns so closely with my own thinking."

"Rather than having to figure out who to call when there's a problem, I now just tell my team to contact Rimini Street and the issue gets resolved. I really feel like we've been able to take the brakes off and gain agility."

At the time, the termination of an ongoing SAP support contract was highly uncommon in France. A glowing reference from another French Rimini Street customer gave Saguez the confidence that the action was not only feasible but highly beneficial.

Since onboarding with Rimini Street, Saguez has reduced his total IT operating budget by 6%. Still, he is adamant that this is only the start: "Leveraging the projects we are now able to take on because of the freed-up resources, I'm convinced we can still gain 20% in overall operating performance. I am sincerely confident in the ability of our partnership with Rimini Street to continue our current trajectory," he remarked.

Saguez concluded, "Before we even signed the contract, I had confidence in Rimini Street's promise because of the company's clear commitment to our success."

"We regularly source new suppliers and it's very rare to find a good fit the first time. Working with Rimini Street has been a delightful surprise — the partnership is performing just as well as I imagined it would."

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