

## Coca-Cola Amatil: Leveraging global IT development for regional benefit

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### Overview

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#### ■ **Business Challenge**

Australia-based Coca-Cola Amatil (CCA), one of the top 50 companies on the Australian Securities Exchange and the largest soft drink producer in the Asia-Pacific region, needed to unify its IT infrastructure and enterprise systems to gain business agility and better support its broad and diverse mix of brands and business operations.

#### ■ **Solution**

In collaboration with IBM, Coca-Cola Amatil deployed a discrete ERP implementation, run by CCA personnel co-located at IBM facilities. To gain maximum business benefit, CCA leverages The Coca-Cola Company's best-practice solutions for SAP, adapting and applying them to its own systems—supporting not only CCA's Coca-Cola franchise, but the company as a whole.



#### ■ **Key Benefits**

- Allows Coca-Cola Amatil to deploy SAP applications more efficiently by leveraging work done by The Coca-Cola Company
- Provides comprehensive functionality to support CCA's regional operations and diverse product portfolio
- Advances CCA's vision of standardization across the enterprise by building common IT systems

*“When business is tough, and the economy is tough, that’s when strong companies get stronger. This is when you want to be investing in business to drive that growth and to take advantage of weakened competitors.”*

– Barry Simpson, CIO, Coca-Cola Amatil

## Mixing global integration with regional independence to maximize business benefit

### Business Benefits

- Allows Coca-Cola Amatil to deploy SAP applications more efficiently by leveraging work done by The Coca-Cola Company, modifying the applications to meet CCA needs
- Provides comprehensive, end-to-end functionality to support CCA's regional operations and diverse product portfolio
- Advances CCA's vision of standardization across the enterprise by building common IT systems

Companies all over the planet are taking advantage of global initiatives to work more efficiently and more dynamically. In some cases, to use a familiar example, that means doing business where the conditions are most favorable, regardless of where in the world that might be. In the case of The Coca-Cola Company (TCCC), based in Atlanta, Georgia, a key globalization initiative was to create a shared IT services model for its wholly- and partly-owned bottling affiliates around the world, based on SAP's leading enterprise application suite.

By using a shared services model and linking all of its subsidiaries together in a common system, this would ensure that TCCC's global operations would be better coordinated and more easily managed.

### Meeting local needs

Coca-Cola Amatil, TCCC's Sydney-based Australian affiliate, was heavily involved in developing this globalized enterprise system, called Project SCALE. However, given the diversity of CCA's business and the complexity of its legacy IT landscape, the company decided to host its own solution. A major factor in this decision was CCA's three-year, AU\$65 million end-to-end business transformation, which would optimize and align IT and business processes across the company. In addition, the company's diversity meant it had more extensive requirements for SAP functionality than many other Coca-Cola bottling businesses—making an independent implementation a wiser choice.

Over the past few years CCA has been growing through acquisition and diversifying its portfolio into new areas including water, sports drinks, fruit juices, coffee, ready-to-drink teas, premium alcoholic beverages and even ready-to-eat packaged fruit and vegetables. Most recently it has established a joint venture with SABMiller, the world's second largest brewer, to distribute premium beer in Australia. In addition to Australia, CCA has operations in New Zealand, Fiji, Papua New Guinea and Indonesia.

With such a diverse mix of territories, products and brands, CCA needed enterprise systems that could accommodate its unique needs, as well as an IT infrastructure able to deliver the flexibility and scalability to accommodate new acquisitions. At the same time, it had to remain closely tied to TCCC's enterprise systems.

*...The project and the efficiency it brings through optimization and leveraging of resources both inside and outside of the company, dovetail with the company's drive to complete the transformation...*

### Building on Coca-Cola's foundation

The solution was to team with IBM Global Technology Services to roll out a “green field” ERP deployment consisting of two systems, one for production and the other for development. Both systems are based on IBM Power® 595 servers running AIX®, with IBM System Storage™ including IBM DS8100 storage systems and IBM TS3310 tape libraries. The choice of IBM Power servers positions the company to virtualize and consolidate its IT operations in the future, with the capability of running multiple workloads.

The operation is run by CCA personnel, co-located at an IBM facility. The new deployment replaces legacy, point solutions scattered across the enterprise and provides a common, shared-services platform that will be able to support new acquisitions much more easily than trying to integrate more siloed, discrete systems into the enterprise mix.

While CCA is operating independently, its affiliation with TCCC has enabled it to take advantage of the larger company's scale in several important ways. The basis of the Australian company's SAP system is templates originally developed for TCCC's SCALE project. These templates are modified by CCA to support its own needs. This accomplishes several things simultaneously: it cuts the time and expense of developing templates from scratch; it ensures that the enterprise systems remain fully compatible with those of TCCC, and it meets unique local needs far better than the original templates could have.

The complexity of CCA's SAP implementation highlights the value of leveraging work originally done by TCCC. With such a large application infrastructure to address, anything that can be done to streamline deployment will reap significant benefits in terms of efficiency and speed to market. The SAP modules in use at CCA include CRM, ERP, BI, SCM APO, Portal, Mobile Infrastructure, MDM, ICH, HR, eRecruiting, XI, Solution Manager, SLD Global, SLD Bottler, TREX and Interfaces. In keeping with best practices, the full suite is rolled out in stages: the first SAP go-live included financials, back office and equipment services, with the remaining modules deployed later, once the core systems were fully functional and proven.

### Leveraging more than just code

CCA's business transformation initiative, called OAisys, is about much more than the company's relationship with TCCC. It calls for implementing commonality across all of CCA and in many areas, from business processes to hardware to applications—adding flexibility and speed of execution that creates business agility.

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## Solution Components

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### Software

- SAP

### Hardware

- IBM Power® 595
- IBM System Storage™ DS8100
- IBM System Storage TS3310

### Services

- IBM Global Technology Services
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## Transformation at a glance

As part of an end-to-end business transformation initiative, Australian Coca-Cola affiliate Coca-Cola Amatil deployed a “green field” SAP implementation that provides enterprise functionality across its diverse and widely distributed business. While CCA runs its SAP systems independently of The Coca-Cola Company's global shared services SAP model, CCA takes advantage of SAP templates created by the larger company by modifying them to suit its own regional needs. This both ensures compatibility with Coca-Cola's global system and speeds development for CCA.

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The choice of IBM was significant in this respect, because the use of a common computing platform will allow consolidation of resources, thereby reducing the company's environmental footprint. Overall complexity and total cost of ownership, including maintenance, will also be reduced through simplification of the infrastructure.

With the enterprise suite implementation now in full production and moving on to Phase 2, in which it will be extended to more business units, IBM is actively involved in deploying IBM hardware to operate additional support systems, such as warehouse management for CCA's new AU\$200 million warehouse/distribution center.

A significant aspect of the ongoing OAisys transformation project is CCA's commitment to seeing it through—and even accelerating it—despite the slowdown in the world economy. According to CCA CIO Barry Simpson, hard times represent an opportunity for strong companies like CCA. “When business is tough, and the economy is tough, that's when strong companies get stronger,” he says. “That's where the opportunities are. This is when you want to be investing in business to drive that growth and to take advantage of weakened competitors.”

The project and the efficiency it brings through optimization and leveraging of resources both inside and outside of the company, dovetail with the company's drive to complete the transformation. “At the end of the day, you are supposed to be driving efficiency out of your function, whether the economy is good, bad or ugly,” Simpson says. “That is your job. If you are doing projects that don't add any value, you have to ask yourself why you are doing them.”

#### **For more information**

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