

# Petrol PLAZA

## Third-largest LPG Retailer in Brazil Implements SAP



### **Supergasbras uses SAP SDM throughout the country for forecasting, distribution and process automation**

Supergasbras has done it: the Brazilian LPG retailer migrated its logistics IT from obsolete insular solutions to a modern SAP landscape with automated processes throughout the country. The roll-out was successfully conducted with no interruption or impairment of day-to-day operations. With SAP SDM (Secondary Distribution Management), the downstream company has optimised its logistics processes and now receives precise forecasts on future consumption.

Supergasbras sells 1.5 million tonnes of LPG per year, making it one of the leaders on its home market in Brazil. The company delivers gas cylinders of various sizes to over ten million households in the country and fills the stationary tanks of over 40,000 commercial and industrial customers. Supergasbras uses its own fleet of 680 gas trucks for deliveries to the tanks and dealers, while distributors deliver to households using more than 2,500 vehicles.

The company's business volume has doubled in size since Supergasbras introduced its first ERP

solution in the late 1990s, not least thanks to the takeover of its competitor Minasgas and the establishment of a central logistics department. This pushed the software components of the time, connected via interfaces, to their limits. By the end, they covered just 50 per cent of the processes, with the other half being conducted manually or only semi-automatically. “We decided to look for a new, homogeneous solution in order to create a stable foundation for future developments,” explained Marcus Falcão, CIO at Supergasbras. Among other features, the solution needed to offer comprehensive analysis tools, full process automation and the option of mobile use. The technology also needed to be accessible via the cloud.

### **SAP: standard solution with minimal need for customisation**

Marcus Falcão and his project team considered various solutions. Their aim was to introduce an established standard software with a wide range of process solutions and only little need for individual developments. The system also needed to be able to cope with the particular features of the Brazilian tax system, such as the Nota Fiscal. They finally opted for the SAP full solution, consisting of SAP ERP and the downstream logistics solution SAP SDM.

SAP SDM provides efficient administration and automation of the entire process chain, from order entry to transport planning and invoicing, including automatic handling of all processes in the SAP system based on the feedback data from the trucks. For example, the system books all material movements fully automatically, creates new orders and modifies existing ones. The forecasting process CPR (Continuous Product Replenishment) ensures reliable deliveries to customers. Depending on the requirements, the customers' consumption is calculated and predicted based on the previous delivery history, parameters such as the weather or any other method, and the relevant orders are generated. A number of options are possible, including delivery at fixed intervals and automatic generation of mailshots for all customers or specific customer groups.

The big SAP project at Supergasbras began in 2014 with the analysis of all business processes. Supergasbras then commissioned a Brazilian IT company to conduct the introduction of SAP, while the experts from the Implico Group supported the implementation of SAP SDM.

### **Roll-out across 67 sites**

It took just a few months for all 67 Supergasbras sites to go live with the new system. Because of the company's enormous size, the roll-out was conducted in several waves. In August, one gas filling plant and two depots in São Paulo, the head office and the Shared Service Center, both in Rio de Janeiro, were migrated. They were followed by another four filling plants and 15 depots in the south-east of the country in October. Seven filling plants and twelve depots went live with SAP SDM in November; the remaining nine filling plants and 15 depots in December.

“Another reason for the four-phase roll-out was to allow us to spread out the staff training and support,” said Marcus Falcão. The user-friendly solution still facilitated to train around 2,000 users at 67 sites in the system in just four months.

## **Thousands of orders, not a single error**

Supergasbras has automated its entire order handling process with SAP SDM. In the past, the staff had to record thousands of orders manually every day – an extremely time-consuming process. Now the processes run by themselves in the background. The forecasting process CPR uses various methods to calculate when a customer needs gas. The system then generates the order for the delivery independently using the address data in the SAP ERP system. SAP SDM also initiates all subsequent processes, such as handling the Nota Fiscal, automatically. In Brazil, a truck loaded with gas is only permitted to leave the company premises once the authorities have approved the delivery with the Nota Fiscal.

SAP SDM delivers all information on the orders to Supergasbras' route planning system. The trips are planned in Scheduling and transmitted to the telematics systems in the trucks. Once a driver has completed his trip, the data is conveyed automatically to SAP SDM. In the bulk business in particular, the quantities and materials delivered can deviate from those planned, so it is necessary to correct the data in the SAP system. Using the process automation software SAP SDM PAT, all the necessary modifications and additions to items – such as material movements, orders and costs – are now recorded fully automatically in the SAP system. SAP SDM also controls the processes in Supergasbras' cylinder gas business. The return of empty or faulty cylinders is also processed automatically, based on the feedback data and taking tax and legal requirements into account, with no need for manual intervention.

SAP SDM thus automates the entire logistics chain. The software conducts any kind of routine task – staff only needs to intervene when an error occurs. This is the only way to manage and monitor the enormous quantities of data and the huge number of orders efficiently. It also reduces the error rate dramatically compared to manual processing, as the system spots erroneous data and marks it with a red or yellow flag in the monitoring transaction. As a result, erroneous data can be corrected quickly and efficiently. The fact that all information on the data flows is compiled clearly and can be understood at a glance is also a huge advantage.

Marcus Falcão particularly values the benefits of the forecasting process: “CPR is an extremely efficient and powerful forecasting tool with various algorithms. This is an enormous improvement and enables us to improve our customer service significantly.” In the past, Supergasbras only used forecasts for filling stationary tanks, but the company is now introducing forecasts also to the cylinder business.

## **All requirements met**

With SAP ERP and SAP SDM, Supergasbras has achieved its aim of covering all processes with one standard solution. Customised developments were limited to exceptional cases, such as particular legal or tax requirements, and made up just around two per cent. Marcus Falcão was particularly pleased with the cooperation with the downstream specialists from Implico. “Our experience with

Implico was excellent. A professional company that offers a huge amount of flexibility – the perfect partner for a project like this.”

Supergasbras is part of the SHV Energy Group, the world market leader in LPG distribution. SHV Energy has 29 subsidiaries in 28 countries, mostly in Europe. The introduction of SAP SDM makes Supergasbras a pioneer within the Group – the other subsidiaries are watching very closely to see what advantages the new solution brings the Brazilian company. Like Supergasbras, some European subsidiaries have already chosen the SAP solution.

Supergasbras benefited from the new solution almost as soon as it was introduced, for example with a ten per cent reduction in costs at the Shared Service Center in next to no time. Other areas also have lots of potential for increased efficiency, as will become clear over the next few months. “As time goes by, Supergasbras will discover more and more new opportunities to make its business processes even more efficient and to save a lot of effort – and therefore time,” said Torsten Peter, Managing Partner at Implico. “The wide range of options for generating reports from the SAP system will also offer revealing information for optimising processes in a targeted way.”

Marcus Falcão is positive about the results. “It was a big change for us. We redesigned almost all our business processes, and we managed to do it without stopping the business for a single day.” The CIO is delighted with the project and the advantages of the integrated solution. He adds: “And we've still got huge potential ahead of us.”


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