



Business Challenge

Packaging specialist Hoffmann Neopac wanted to innovate at speed, respond to consumer trends, meet regulations, and cut waste. How could it find and explore its data to optimize operations?

Transformation

Hoffmann Neopac worked with IBM Gold Business Partner WAGNER AG to move to SAP S/4HANA® in a private cloud environment built on high-performance IBM® Power® Systems servers and IBM FlashSystem® storage.

Business benefits:

15x
less energy consumption
with IBM infrastructure

90%
reduction in processor
footprint

Reduced
operating costs

Hoffmann Neopac

Packaging goes greener, with deep data insights enabled by SAP S/4HANA and IBM Systems

Hoffmann Neopac, headquartered in Thun, Switzerland, produces high-quality tins and tubes for some of the world's leading pharmaceutical, cosmetics, and consumer goods companies. Still a family corporation, Hoffmann Neopac employs more than 1,000 people worldwide, and operates manufacturing sites in five countries.

“We have years of experience using IBM Power Systems servers in our own data center and know them to be highly reliable and very performant.”

Frank Werdermann,

CIO,

Hoffmann Neopac

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Keeping pace with change

If you squeeze a tube of lotion or open a tin of luxury cream, you may be using a Hoffmann Neopac packaging solution. Serving the food, pharmaceuticals and related specialist sectors, the company invests heavily in research, development and innovation to create new products that offer both optimum functionality and attractive design.

Frank Werdermann, CIO at Hoffmann Neopac, takes up the story: “All of our packaging solutions must be aesthetically pleasing, comply with stringent hygiene and safety regulations, and be super-easy to use. However, consumer tastes and trends are constantly changing, as are industry, government and environmental regulations, which means we must be able to adapt fast.



“Our ultimate goal is to be able to anticipate what customers want, and produce innovative packaging solutions that perfectly meet their needs and solve problems that they didn’t even know they had. To understand packaging trends, and to support more accurate demand forecasting and planning, we wanted up-to-the-second insight into the business. We wanted to optimize manufacturing, reduce our waste, and promote a more sustainable society, while also reducing costs.”

Teaming up with an expert partner

For more than 20 years, Hoffmann Neopac has relied on [SAP ERP](#), running on [IBM Power Systems](#) servers in its own on-premises data center. Previously, the company ran the following SAP ERP modules with extensive customizations to support operations: Financial Accounting, Controlling, Controlling and Profitability Analysis, Production Planning, Supply Chain Management, Materials Management, Quality Management, Manufacturing Intelligent Integration and Intelligence, Extended Warehouse Management, Sales and Distribution, Global Trade Services, Human Capital Management, Application Performance Manager, and SAP Solution Manager.

The team recognized that these highly customized applications running on the classic SAP ERP platform did not deliver the real-time analytics and operational insight required to optimize the business.

To harness real-time analytics, the company decided after an extensive evaluation process to move to the latest-generation in-memory [SAP S/4HANA](#) suite and opted for a greenfield implementation.

Frank Werdermann recalls: “We used more than 150 questions and criteria for the ERP solution evaluation. We considered solutions from several software vendors, but soon realized that SAP S/4HANA offered the most complete package. We had built on our existing SAP ERP landscape so much over the decades that a greenfield implementation offered the quickest and simplest way forward.”

“Deploying SAP S/4HANA in the WAGNER AG private cloud based on IBM Power Systems will enable us to digitize, automate, streamline and accelerate many of our core business processes, helping us to build a leaner, greener packaging business.”

Frank Werdermann

CIO

Hoffmann Neopac

During the evaluation period, Hoffmann Neopac also made the decision to outsource the hosting of its new SAP landscape to IBM Gold Business Partner WAGNER AG.

“We’re a packaging company, not an IT company, and it no longer made sense to spend so much time and effort on running our SAP landscape,” says Frank Werdermann. “You need at least two people with the right knowledge and skills to manage an on-premises solution, which does not make sense for most small and mid-sized companies. To free our IT team to focus more resources on the core business, we decided to hand over the hosting and day-to-day infrastructure management to the experts who do nothing else, for us and other clients, and benefit from their experience across environments and companies.”

Powering more agile operations

Hoffmann Neopac deployed the new SAP S/4HANA solution in a fully managed private cloud environment hosted in WAGNER AG's data centers in Switzerland, based on IBM Power Systems and IBM Storage infrastructure. The company also moved its existing SAP ERP environment to the WAGNER AG private cloud.

The five-year service contract with WAGNER AG includes two years of parallel operations of Hoffmann Neopac's SAP ERP and SAP S/4HANA environments, with flexible provisions to extend and adapt the contract as needed. Frank Werdermann adds: "The contract with WAGNER AG is great and supports our business transformation, as it gives us the flexibility to reduce our SAP ERP workloads and add SAP S/4HANA workloads over time, as we transition to the new solution."

He recalls: "We looked closely at the underlying hosting infrastructure, and the fact that WAGNER AG's offering was based on IBM technology was a key deciding factor. We have years of experience using IBM Power Systems servers in our own data center and know them to be highly reliable and very performant.

"What's more, the total cost of ownership of running our SAP S/4HANA on IBM Power Systems versus an x86 architecture was much lower. Additionally, to run our workload required 40 IBM POWER9™ CPUs compared with 540 CPUs on other processing platforms. We also calculated that the IBM infrastructure would consume 15 times less energy than



other platforms and architectures."

Hoffmann Neopac's SAP landscape is hosted on [IBM Power System E950](#) and [IBM Power System S922](#) servers, virtualized using [IBM PowerVM®](#) and running the SUSE Linux Enterprise Server for SAP Applications operating system. Data storage is managed through four [IBM SAN Volume Controller](#) systems which are connected to two [IBM FlashSystem 900](#) storage arrays. The storage capacity is virtualized using IBM Spectrum® Virtualize. Data is backed up to an IBM virtual tape library as well as several physical IBM LTO tape libraries. The servers and storage are connected via [IBM System Storage Networking SAN24B](#) switches.

The high-throughput, low-latency IBM FlashSystem storage ensures that business data is available instantly, enabling real-time insight into operations. And the winning combination of IBM Power Systems servers and ultra-fast IBM flash storage solutions means that it takes just 30 seconds to restart SAP HANA systems, compared to 10 minutes on platforms with spinning disks.

Martin A. Meier, Senior IT Solution Architect at WAGNER AG, remarks: "IBM Power Systems and IBM Systems Storage are the ideal foundation for our private cloud service—they tick all the boxes in terms of availability, reliability and performance."

Staying one step ahead

With its SAP landscape now running in the WAGNER AG cloud, Hoffmann Neopac has embarked on an exciting new chapter in the company's long history.

Frank Werdermann says: "In the past, maintaining the relevant IT skills in-house to support 24/7 operations was a challenge. Now, WAGNER AG's team of highly skilled experts takes care of our complete SAP landscape. The managed service saves us a great deal of time and effort, while also keeping total cost of ownership low. It means that our IT team can focus on adding value to the business, not just keeping the lights on."

Benefits in detail

- 24/7 availability thanks to 99.9 percent uptime and HA/DR
- 15 times less energy consumption with IBM infrastructure compared to other platforms
- 14 times fewer processors required for the same workload compared to other platforms
- 350 millisecond response time guaranteed by WAGNER AG's service contract
- 100 millisecond response time in 90 percent of cases
- 20 times faster reboot and recovery with 30 seconds to restart SAP HANA instances running on IBM Power Systems and IBM FlashSystem storage, compared to up to 10 minutes on other platforms

Key components

Applications: SAP® ERP, SAP S/4HANA®

Software: IBM® PowerVM®, IBM Spectrum® Virtualize, SUSE Linux Enterprise Server for SAP Applications

Hardware: IBM FlashSystem® 900, IBM Power System® E950, IBM Power System S922, IBM SAN Volume Controller, IBM System Storage Networking SAN24B

Services: IBM Business Partner WAGNER AG

The IBM infrastructure delivers round-the-clock availability and high performance—top priorities for Hoffmann Neopac, with production sites in five countries across ten time zones. WAGNER AG guarantees a service-level agreement (SLA) of 99.9 percent uptime and response times of 350 milliseconds or less.

“In daily operations, response times are under 100 milliseconds 90 percent of the time, thanks in large part to the impressive performance of the IBM Power Systems and IBM FlashSystem storage,” says Frank Werdermann. “Most of our customers need just-in-time delivery of our products, so high availability and geographically dispersed resiliency are essential. Since moving to the WAGNER AG cloud, we have experienced 100 percent availability, ensuring 24/7 operations of our mission-critical SAP applications.”

Supported by WAGNER AG, Hoffmann Neopac will also take full advantage of the increased agility and speed of insight provided by SAP S/4HANA.

Frank Werdermann explains: “Real-time analytics powered by SAP S/4HANA

will enable us to measure business performance faster and more accurately than ever before. SAP S/4HANA will also allow us to achieve a higher level of automation, so that we will be able to react to changing market conditions, consumer trends and packaging regulations in a more agile manner. Because we will be better able to identify and understand these trends, we will be able to make smarter, data-driven strategic plans.

“Real-time operational insight will also help us to avoid production errors and reduce waste. The introduction of barcode scanners into production and logistics processes will further reduce rejection rates, lowering the number of defects and improving the quality of our output, which in turn will increase customer satisfaction.

“We also expect the SAP S/4HANA solution to make life easier when it comes to proving compliance with customer and industry regulations, since we will have an end-to-end audit trail of all production processes. For example, we will be able to prove that packaging contents are not exposed to any contaminants during production. This will significantly reduce the manual effort taken to complete audits while also building customer trust.”

Furthermore, by harnessing SAP S/4HANA like many of its customers, Hoffmann Neopac will achieve closer integration with their business processes, boosting efficiency. For example, the company is planning to offer vendor-managed inventory services with automated planning and ordering processes, streamlining supply chain operations for both Hoffmann Neopac and its customers. Closer integration with customers’ business processes will also enable Hoffmann Neopac to better anticipate spikes in demand and shorten development cycles.

Frank Werdermann concludes: “Deploying SAP S/4HANA in the WAGNER AG private cloud based on IBM Power Systems will enable us to digitize, automate, streamline and accelerate many of our core business processes, helping us to build a leaner, greener packaging business—setting us up for further success in the years to come.”

About the IBM and SAP Partnership

The strategic shift to the cloud and to intelligent technologies isn’t easy, but it’s how businesses of all sizes will create exceptional customer experiences, uncover new revenue opportunities, optimize investments and fundamentally reinvent how business gets done. SAP and IBM offer the innovations and industry expertise to help.

SAP provides the world’s leading intelligent applications and technologies – connecting and clarifying the data that makes processes more nimble and decisions more powerful. IBM helps build smarter businesses and is a global leader in SAP transformations – offering in-depth industry experience, cloud and on-premise deployment expertise, and game-changing intelligent technologies.

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