



# Implementation of SAP ERP software in Zakłady Azotowe „Puławy”.

By implementing SAPECC program together with Asseco ZSI, we reinforced the world's best management standards used in our organization. We gained yet another powerful instrument for building competitive advantage, and that is integrated and efficient information system, offering support in decision making processes.

Lech Schimmelpfennig  
the Board Plenipotentiary in charge of SAP implementation

## Client's profile.

Zakłady Azotowe "Puławy" S.A. have the highest sales level among Polish companies operating in a fertilizers and chemicals sector. The Company's activities are divided between two fundamental segments: fertilizer products and non-fertilizer products (mainly chemicals).

The products offered by this Company include: chemicals (melamine, caprolactam); one-component nitric fertilizers (UAN, ammonium nitrate with magnesium, ammonium sulphate, urea); peroxide compounds (hydrogen peroxide); technical gases

(liquid nitrogen, compressed hydrogen, liquid carbon dioxide). Zakłady Azotowe "Puławy" are the only melamine producer in Poland and they are third biggest melamine producer in the world, providing for 10% of global and 20% of European demand.

The Company is also leading Polish producer of caprolactam and nitric fertilizers: nitrate and urea. These products are mainly distributed on the Polish market (50% of income from fertilizers sales) and the European Union, U.S.A. and the eastern markets.

## Company's situation.

Zakłady Azotowe "Puławy" S.A. were ranked number 28 as regards total income in a "List of 500", a ranking presented by "POLITYKA" weekly. This ranking included 50 companies listed on the Warsaw Stock Exchange. Zakłady Azotowe "Puławy" were ranked number 88 among 100 most valuable Polish companies, according to the list presented by "NESWEEK Poland" and this way it was moved 3 numbers up in comparison to the previous year.

The company's value is growing thanks to continuous development, improvements and competitive advantages building, improving efficiency and human resources management, as well as relations building within internal and external environment.

## Solution.

Implementation of an integrated information system was based on SAP ERP v. 6.0 ECC solution. It is worth noting that the extent of this implementation carried out within one task was extraordinary and that a solution supporting majority of the Company's business processes was implemented within one stage.

This system gives the company support both as regards the production segment and the financial and accounting segment of its activity. The production segment support includes raw material supply system, production, material management, sales and distribution procedures for all products and data exchange between specialized systems supporting sales process.

The system was integrated with SCADA (Supervisory Control And Data Acquisition), SIST (Means of Transport Identification System), LIMS (Laboratory Information Management System) and IBM FileNet – a system for documentation archiving and distribution. The financial segment support is about supporting processes in the area of economic activities registry, reporting and controlling.

The implementation included the following areas:

- Financial accountancy
- Fixed assets accountancy
- Treasury
- Controlling
- Production and production planning
- Repairs management
- Sales and distribution
- Quality management
- Environmental protection
- Human resources management
- Data warehouse (reporting, planning, consolidation)

## Implementation history.

- **Step I** – covered majority of system's functions, necessary for proper functioning of financial and accounting processes, logistics, repairs management, investments and human resources. The overriding aim was to standardize business processes, ensure their integration and current recording of all economic activities. The productive start of Stage I took place on July 1, 2009. bieżąca ewidencja wszystkich zdarzeń gospodarczych. Start produkcyjny I Etapu nastąpił w dniu 1 lipca 2009 r.
- **Step II** – includes expected completion of works on data warehouse, which is planned for November 2010.
- **Step III** – refers to implementation of EHS functionality (environmental protection).

## Benefits.

The following aims and benefits were obtained due to implementation of this project:

- Support for decision making processes
- Quick access to information
- Lowering costs of stocks financing
- Optimization of resources
- Optimization of supply processes and repairs
- System unification – possibility of cooperation with partners
- Data security
- Quicker realization of development projects
- Optimization of management processes