Nongfu Spring: Optimizing Business Processes with Real-Time Business Analytics from SAP HANA™

A leader in China’s bottled water industry, Nongfu Spring Co. Ltd. realized it would be a huge strategic advantage to get real-time information for business analysis and be able to respond quickly to the market. The accelerated in-memory computing of the SAP HANA™ platform provided fast data display and better data search – critical to meeting the firm’s needs.
Executive overview

BUSINESS TRANSFORMATION

The company’s top objectives:
- Efficiently manage and flexibly use large, existing volume of complex data
- Enable real-time business insights with highly efficient in-memory computing
- Respond rapidly via real-time business insights to a competitive market

The resolution:
- Further extend IT solution via in-memory computing technology, with strong support from high-level management
- Replace Oracle data mart solution with the SAP HANA™ database
- Go live smoothly within just 2 months

The key benefits:
- Efficiently process high volumes of nonintegrated data at unprecedented speed with data analysis using SAP HANA
- Enable managers to make decisions more quickly and accurately based on real-time data replication and synchronization
- Free up IT resources for projects with higher added value and lower cost of operations and maintenance

There are many strong competitors in this consumer goods industry. If we are one step ahead, only one step, we have an advantage in the market.”

Patrick Hoo, CIO, Nongfu Spring Co. Ltd.

Company
Nongfu Spring Co. Ltd.

Headquarters
Hangzhou, Zhejiang, China

Industry
Consumer products

Products and Services
Bottled water and beverages

Employees
10,000

Revenue
¥10 billion

Web Site
www.nfsq.com.cn
(Chinese language only)

Partner
Hewlett-Packard
Executive overview

Nongfu Spring Co. Ltd., with its well-known name brand, is the largest bottled water producer in China. As the largest holding company of Yangshengtang, Nongfu Spring owns seven production complexes and dozens of factories. With ¥10 billion in revenue, the company has more than 10,000 employees, including over 8,000 sales staff. The sales staff is responsible for working with more than one million customers in cities and towns to promote the company’s bottled water and other beverages. Because Nongfu Spring faces tough competition, the company knew that, to succeed, it had to respond faster to the market, make decisions faster and more accurately, and improve the coordination between its operations in sales, marketing, production, and logistics.

For years, Nongfu Spring – using its SAP® R/3® software (functionality now available in the SAP ERP application) – has accumulated huge volumes of data that have made it a time- and energy-consuming job to prepare business reports with up-to-date data for the company’s decision makers. As the business has grown, it’s become critical to generate real-time data and make it available to help the company manage long-term development, improve efficiency, and lower costs. For example, it used to take more than a day to organize huge amounts of point-of-sale (POS) data, understand market dynamics, make decisions, and take action accordingly.

Company executives realized that if they could track real-time information about the business, they would gain an advantage in the market. As a result, Nongfu Spring started looking for a solution that could accelerate its business insights.

“I believe SAP HANA is a very comprehensive and sophisticated business analytics product.”
—Patrick Hoo, CIO, Nongfu Spring Co. Ltd.
SAP HANA and Nongfu Spring complement each other

Taking advantage of its long-term partnership with SAP, Nongfu Spring learned about SAP HANA and requested a proof of concept for SAP’s in-memory computing technology. SAP HANA enables customers to query multiple types of data sources – both SAP and non-SAP – in real time, at unprecedented speeds and volumes. The resulting successful proof of concept gave the company confidence that SAP HANA could meet its needs. In July 2011, Nongfu Spring began to implement SAP HANA, going live with it just a couple of months later.

During the implementation process, the project team moved data and reports from the Oracle data mart to the newly built SAP HANA platform. Within one month, the team had finished between 70% and 80% of the work and moved over the processing of 152 reports. At the same time, the team conducted testing and found great performance improvements in both data extraction and reporting. The successful test results were a milestone. After only two months of preparing for full deployment, Nongfu Spring went live with SAP HANA across the enterprise.
After going live with SAP HANA, executives at Nongfu Spring were excited about the new performance results. Generally, reports are now processed 20 to 30 times faster. For certain data and processes, the results are even more striking: in some cases, reports are produced 200 to 300 times faster.

As part of regular account settlement, Nongfu Spring needs to check and reconcile its freight account, a complicated operation. Before implementing SAP HANA, it usually took the company 24 hours to process the settlement report for the freight account report. Sometimes, it wasn’t even possible to generate a report because the system was simply overwhelmed by the processing demand and brought to a standstill. Now, it takes only 37 seconds to produce the freight account report – 2,335 times faster than before.

By automatically triggering data replication, SAP HANA provides Nongfu Spring with real-time data movement and synchronization. Before the implementation of SAP HANA, the company’s salesmen had to wait a day to get the reports they needed. Now, SAP HANA synchronizes the data. For example, if a new document is added in SAP R/3, a corresponding new record is automatically added to the data SAP HANA uses, and then added in turn to the report system. This real-time data synchronization makes data analysis more timely and convenient for Nongfu Spring’s business users. The company’s users can now leverage the analysis and respond to the market more quickly and accurately.

**KEY BENEFITS**

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<th>8,000</th>
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<td>Clients and growing</td>
<td>Terabytes of data processed, and increasing</td>
<td>Sales representatives get latest information</td>
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Cooperatively developing a mobile business solution based on SAP HANA

Nongfu Spring will continue rolling out SAP HANA across the enterprise. The company is currently the largest user of an enterprise mobile business platform in China. It has an army of representatives – more than 8,000 – that visits over 1 million customers and sends data via a mobile business platform. Currently, in cooperation with SAP, Nongfu Spring is developing a mobile business solution based on SAP HANA and plans to launch the solution in the near future.