Business Challenge

BRF wanted to ensure compliance with new Brazilian tax and Human Resources (HR) regulations, while also accelerating SAP application performance across its global operations.

Transformation

The company migrated its SAP ERP Central Component (ECC) environment from its legacy system to the SAP HANA in-memory database, hosted on IBM Power Systems and IBM System Storage.

Everton Cardoso
Global IT Consultant
BRF

Business benefits:

Up to 98%
acceleration in processing of financial reports

62%
reduction in storage space

Supports
compliance with new Brazilian labor and tax regulations

BRF
Boosting business agility to support global growth and ensure regulatory compliance

BRF is one of the world's largest food companies, with a portfolio of more than 30 brands that include Sadia, Perdigão, Qualy, Paty, Dánica, Bocatti and Confidence. The company's products are marketed in more than 150 countries in five continents.

"We are delighted with the reliability, performance, security and scalability of our IBM Power Systems servers and IBM System Storage DS8870 array. The fact that IBM hosts the infrastructure in their data center makes management so easy and cost-effective."

Everton Cardoso, Global IT Consultant, BRF

Share this

Gearing up for growth

Over the past decade, BRF S.A. has become one of the world's largest food producers, establishing operations in Latin America, Europe, Asia and the Middle East. As the company expanded, it found that its mission-critical IT applications were facing increasing pressure—impacting the company's ability to undertake core activities, such as HR and supply chain management.

Everton Cardoso, Global IT Consultant at BRF, explains: "Since our formation in 2010, we've grown incredibly quickly and we have plans to continue this development in the years ahead. To achieve this, it's essential that we overcome the performance limitations created by rapid growth. For instance, we found that our SAP ERP Core Component (ECC) applications struggled to keep up with increasing demand—reducing our agility and creating barriers to future expansion."

To accelerate business agility and efficiency, BRF looked to increase the performance of its global IT systems, which are used by over 19,000 employees. At the same time, the Brazilian-based company aimed to keep pace with the country's new tax and labor regulations.

Under the new regulations, companies with revenues higher than R$78 million (US$20.3 million) must integrate their HR applications with eSocial—a new centralized government HR database. The goal: to streamline and centralize employment data reporting to federal institutions and reduce administrative expenses for employers.

Everton Cardoso continues: "We were confident that by refreshing the IT infrastructure that supports our core business applications, we would be able to streamline performance and support future growth. At the same time, we saw this as a great opportunity to ensure that our systems and processes are compliant with the new complex Brazilian labor and tax regulations."

Delivering success

To manage its HR and tax-related obligations under the new regulatory framework and boost application performance, BRF upgraded its SAP ECC solution to the latest enhancement package and implemented the SAP Tax Declaration Framework for Brazil (TDF) module.

Everton Cardoso comments: "The new SAP ECC enhancement and SAP TDF run on SAP HANA, which made this an excellent chance to migrate our entire SAP ECC environment to SAP HANA. Not only would this help us to comply with the new regulations, we would

also reap the rewards of improved application performance."

BRF chose to host its new SAP ECC on SAP HANA environment on two IBM Power Systems E870C servers running the SUSE Linux Enterprise Server for SAP Applications operating system. For storage, the company selected an IBM System Storage DS8870 array to maximize efficiency and flexibility. BRF deployed its IBM hardware as Infrastructure-as-a-Service for added flexibility and rapid scalability. BRF implemented SAP TDF on SAP HANA running on IBM Cloud™ bare metal servers certified by SAP.

Everton Cardoso notes: "Our partnership with IBM is very strong and longstanding—we have worked together since 2006—and as a result IBM has developed a detailed understanding of our business over the years. The positive relationship we have with IBM was a significant factor in deciding to work with them on this project. What's more, we are very familiar with the excellent reliability, performance and security that IBM Power and IBM Storage can deliver.

"We knew that by upgrading our IT infrastructure with IBM technology, we could support growth and regulatory compliance without significantly increasing our overhead."

IBM Services and IBM Lab Services worked with BRF and SAP to complete the migration to a tight deadline, as Everton Cardoso recalls: "Given the scale of our business, SAP told us to expect a migration time of 13 months, but we needed to have SAP ECC on SAP HANA up and running in just five months. Looking back, it was an extraordinary project to complete in such a short timeframe.

"For instance, we had to test around 16,000 scenarios, which required considerable effort from a huge number of users across our business.

"Throughout the implementation, IBM and SAP demonstrated remarkable commitment and support as we migrated to SAP HANA on IBM Power Systems and IBM Storage. Our final go-live project took us just 22 hours to complete; to put this into perspective, many other companies typically complete this in four days."

Entering a new era of global growth

By migrating its mission-critical SAP ECC environment to SAP HANA running on IBM Systems, BRF has reduced its database storage requirements and accelerated core business processes while also ensuring that its HR and tax reporting practices meet the requirements of new Brazilian regulations.

With SAP ECC powered by SAP HANA, hosted on IBM Power Systems, BRF cut the storage requirements of its database by a significant margin.

Everton Cardoso explains: "Our legacy database was very large at around 26 TB, which made it very difficult to manage. When we conducted the migration with IBM Services and SAP, we took a thorough approach to archiving and cleaning up our data, which enabled us to downsize our database to approximately 10 TB—a reduction of over 62 per cent."

As well as cutting maintenance and storage requirements, BRF's smaller SAP HANA database helps to boost the performance of the company's SAP ECC applications.

Everton Cardoso says: "Since upgrading to SAP HANA on IBM Power Systems and IBM Storage, core functions within SAP ECC now run much faster. Previously, it used to take eight hours to run financial reports in SAP Financial Information Management and over two hours in other markets. With SAP Financial Information Management running on SAP HANA
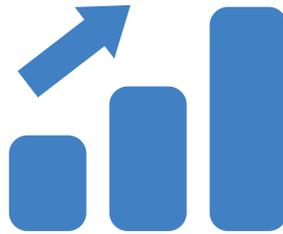
Up to 98% acceleration in financial report processing

on IBM Power Systems, we have made massive time improvements, reducing the process to just eight minutes in Brazil and 90 minutes in other countries—a reduction of 98 percent domestically, and 28 percent in other countries."

BRF has made impressive improvements in performance across many of its other processes. For instance, operations in SAP Controlling, which BRF uses to monitor and coordinate costs company-wide, are now running 50 percent faster on average with SAP HANA on IBM Power Systems. At the same time, BRF's performance analytics processes take 37 percent less time.

The company is also impressed with the standalone capabilities of its new IBM infrastructure. Everton Cardoso comments: "Having worked with IBM for so long, we were already familiar with the quality of the hardware it offers.

"We are delighted with the reliability, performance, security and scalability of our IBM Power Systems servers and IBM System Storage DS8870 array. The fact that IBM hosts the infrastructure in their data center makes management so easy and cost-effective, if we want more capacity, all we have to do is ask, and we only pay for what we use."

In future, BRF will migrate its SAP Business Warehouse on SAP HANA environment to IBM Cloud Bare Metal Servers and is considering integrating additional functionality into its SAP applications. Additionally, BRF is planning to upgrade its storage to the IBM FlashSystem® A9000, to further improve performance.

Everton Cardoso explains: "We have a long-term IT strategy, and as part of that we are looking at adding more SAP modules, and even potentially transitioning to SAP S/4HANA®.

"Whatever the future holds, we know that IBM Power Systems and IBM Storage are well-equipped to handle growing workloads and maintain the agility that we need for continued global expansion."

With its SAP ECC applications powered by SAP HANA on IBM Power Systems and IBM System Storage, BRF is on the way to achieving full regulatory compliance with Brazil's new labor regulations, and is well positioned to strengthen its position at the forefront of the global food industry.

Everton Cardoso concludes: "We look forward to continuing to work with IBM and deepening our mutual understanding, as we work together to establish a strong foundation for BRF's future growth."

Benefits in detail

- Up to 98% acceleration in processing of financial reports

- 69% reduction in storage space by moving to the SAP HANA in-memory database

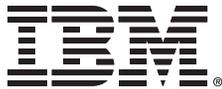- Supports compliance with new Brazilian labor and tax regulations

Key components

Applications: SAP® Advanced Planning and Optimization, SAP Business Objects, SAP Business Warehouse, SAP Controlling, SAP Customer Relationship Management, SAP Enterprise Inventory and Service-Level Optimization, SAP Financial Information Management, SAP Process Integration, SAP ERP Central Component, SAP HANA®, SAP Landscape Transformation Replication Server, SAP Solution Manager, SAP Tax Declaration Framework

Software: SUSE Linux Enterprise Server for SAP Applications

Hardware: IBM FlashSystem® A9000, IBM Power® Systems E870C, IBM System Storage® DS8870, IBM Cloud™ Bare Metal Servers certified by SAP

Services: IBM Global Technology Services®, IBM Lab Services

Learn more, connect with IBM [Twitter] [YouTube] **and SAP** [Twitter] [YouTube]