



MONSANTO

SAP BUSINESS TRANSFORMATION STUDY

AT A GLANCE

Industry	Chemicals
Revenue	US\$7.3 billion
Employees	17,000
Location	St. Louis, Missouri
Web Site	www.monsanto.com
SAP® Solution & Services	SAP® ERP application

Monsanto Company is a leading global provider of technology-based tools and agricultural products that improve farm productivity and food quality. As a pioneer of biotechnology, Monsanto has consistently led the race in the R & D of new products and technology to meet the world's growing food needs, conserve natural resources, and protect the environment. Behind the scenes, Monsanto has also paced the industry in corporate efficiency and business processes in more than 500 locations worldwide.

Key Challenges

- Reduce enterprise resource planning (ERP) software instances from 6 to 1 for global transactional processing
- Meet aggressive timeline for global implementation
- Redefine and prototype business processes
- Retrain workforce on single software system
- Cleanse and load large quantity of disparate data
- Retire multiple, antiquated software systems
- Address cultural, language, and time zone barriers

Why SAP Was Selected

- Ability to meet business needs in a single instance
- Enhanced inventory control, with better quality management and tracking
- Global manufacturing visibility and control to leverage total capacity and differing cost structures
- Uniformity across employee records and performance management processes

Implementation Best Practices

- Leverage a global knowledge base around capabilities and processes
- Global tool set, including SAP® Solution Manager application management solution to streamline process
- ERP governance structure with key cross-functional stakeholders

Low Total Cost of Ownership

- IT cost benefits from licensing, infrastructure, and elimination of third-party providers
- System-to-system links to optimize supply chain
- Standards for connectivity and seamless integration with downstream processes
- Minimal disparate systems, hardware, and connectivity

Financial and Strategic Benefits

- More than US\$1 million saved in compliance activities
- More effective marketing and pricing campaigns with easy local adaptation
- Profitability analysis enabled by single material numbers worldwide
- Improved performance through consolidation of financial functions and better understanding of profit drivers
- Resources now able to spend more time interacting with customers versus keying in orders

Operational Benefits

Key Performance Indicator	Impact
Month-end general ledger closing	56% faster
Transactional processing costs	Reduced by over 60%
Common set of controls from centralized owners	Time and cost savings
Single point of master data for sales, costs, and inventory	Improved profitability analysis





“Achieving a single, global instance provides the type of global process and technology base Monsanto needs to achieve both our operational excellence and growth objectives.”

Mark E. Showers, Chief Information Officer, Monsanto Company

“Although we faced challenges along the way, the overarching benefits have proven to be very much worth the effort. As a company, we feel and act more connected than ever before.”

Mark Jordan, Director, Information Technology, Global ERP, Monsanto Company

Achieving One Company, One Process, One System

After a series of acquisitions, spins-offs, mergers, and divestitures, Monsanto Company found itself with six distinct enterprise resource planning systems throughout its five primary regions - Europe/Africa, Asia Pacific, India, Latin America, and North America. The company endorsed a strategy of extending SAP® software as the single system for transactional processing worldwide. By providing a platform that supported the integration of commercial, manufacturing, finance, and human resources organizations, the company would drive business process innovation along with world-class operational efficiency.

Meeting Challenges

The team faced many challenges while deploying the consolidation strategy. They met aggressive timelines for the global implementation, defined and prototyped business processes, retrained the workforce, cleansed and loaded data, and retired multiple systems of record that were no longer required. Monsanto not only addressed cultural, language, and time zone barriers but leveraged them as a part of the project. For example, it was perfectly normal for a business analyst from Belgium to be working on a requirement for Brazil that leveraged a process used in Mexico that was running on SAP software originally configured in the United States.

Employing Best Practices

Throughout the implementation, Monsanto incorporated many best practices to streamline the project. For example, it established a governance structure for SAP software installations to include important stakeholders from the commercial, manufacturing, and finance business units, as well as IT leadership. This enabled Monsanto to create, and then implement, the road map while ensuring that resources and support were in place for the multiyear process.

By instituting a single source of compliance practices and documentation, Monsanto leveraged a common set of controls from centralized owners, resulting in significant time and cost savings. Monsanto also established a single point of master data so it could compile sales, costs, and inventory data for true profitability analysis.

By making use of global resources and leveraging local expertise, Monsanto was able to quickly address challenges and implement solutions. Also, following standard project implementation methodologies, Monsanto accelerated its implementations while still ensuring consistency and compatibility with global designs.

Reaping the Rewards

Monsanto has achieved its vision of “One Company, One Process, One System” and runs its US\$7.3 billion dollar global business with over 17,000 users from a single, global instance of SAP software. Monsanto has fully leveraged the extensive functionality of SAP software, enabling all aspects of the enterprise to come together to share in common processes and capabilities. And the impact of standardizing on SAP software worldwide is unparalleled. Monsanto now enjoys the benefits of a single system of record which has enabled worldwide process standardization while lowering the overall cost of transactional processing by more than 60%.

The journey has not ended for Monsanto. The company continues to find ways to leverage its SAP software investment. Whether it’s by extending capabilities to a new business partner, utilizing more efficient supply planning, supporting a financial requirement, or implementing a new human resources process, SAP software is a cornerstone for how Monsanto chooses to do business.