



# FERROMEX

## IMPROVING BUSINESS PROCESS PERFORMANCE WITH SAP® ENTERPRISE SUPPORT

“SAP Enterprise Support provided key recommendations that enabled real performance improvements.”

Oscar Macias Ibarra, IT CIO, Ferrocarril Mexicano S.A. de C.V.

### QUICK FACTS

#### Company

- Name: Ferrocarril Mexicano S.A. de C.V.
- Location: Mexico City
- Industry: Transportation and logistics
- Products and services: Railway transportation
- Revenue: 3.7 million Mexican pesos (US\$310,078)
- Employees: 7,525
- Web site: www.ferromex.com.mx

#### Challenges and Opportunities

- Optimize the performance of business transactions and business processes
- Accelerate business operations

#### Objectives

- Use continuous quality checks (CQCs) to improve supply chain lead times and accelerate financial closings
- Monitor critical processes to ensure that they meet key performance indicators
- Reduce database volume

#### SAP® Solutions and Services

- SAP® Enterprise Support services
- SAP Solution Manager application management solution

#### Implementation Highlights

- Reduction in transaction delays by deploying SAP’s recommendations
- Adoption of the best practices in change management by working jointly with SAP
- Ongoing application tracking

#### Why SAP

- Experience in the market
- Worldwide presence

#### Benefits

- Faster response times in delivery and sales order processes
- Fewer inconsistencies in orders of payment and intents to pay
- Detailed procedures for software change management based on transport execution analysis
- 13% reduction in database volume
- 20% faster transaction speed after deploying just 45% of SAP’s recommendations
- Improved CPU processing time

#### Existing Environment

- SAP ERP application
- SAP NetWeaver® Business Warehouse component
- SAP NetWeaver Portal component
- SAP Customer Relationship Management (SAP CRM) application



Ferrocarril Mexicano S.A. de C.V. (Ferromex) believes that continuous improvement is critical to maintaining its world-class rail service designed to meet the highest standards of reliability, speed, efficiency, and profitability. To further enhance and optimize the SAP® software that drives its core business processes, Ferromex turned to SAP Enterprise Support services. According to Oscar Macias Ibarra, IT CIO at Ferromex, "SAP Enterprise Support provided key recommendations that enabled real performance improvements."

Ferromex operates the leading cargo railway line in Mexico, with over 8,500 kilometers (5,060 miles) of track. The company was launched in 1998 following the privatization of Mexico's government-owned railroads. Shortly thereafter, Ferromex began deploying SAP software to support its mission-critical operations. Today, the company runs its business with the help of the SAP ERP application, SAP Customer Relationship Management (SAP CRM) application, SAP NetWeaver® Business Warehouse component, and SAP NetWeaver Portal component.

### Continuous Quality Checks to Optimize Performance

Ferromex used SAP Enterprise Support services for continuous quality checks (CQCs) of the company's applications and related business processes – specifically those supporting sales and distribution, finance, HR, and plant maintenance.

For example, the discovery of database inconsistencies led SAP to recommend the CQC business process analysis and monitoring service, which identifies potential improvements in core business processes and supports the organizational interface between business and IT. This service enabled Ferromex to detect and minimize the possibility of delayed software transactions that could impede the company's operations and response times. After applying just 45% of SAP's related recommendations, transaction speed improved 20%.

### Improved Change Management

Ferromex relied on the CQC transport execution analysis service to optimize its software change management procedures. Through this service, SAP experts manage and test software changes – reducing the amount of follow-up effort by validating up front that the changes fit requirements. The analysis enabled Ferromex to adopt best practices in change management to improve software quality and reliability.

### Faster CPU Processing

With peak CPU usage reaching 90% in the past, Ferromex turned to the CQC business process performance optimization (BPPO) service. This service is designed to analyze and optimize the response times and resource consumptions of individual core business process steps. Through the BPPO service, SAP's remote team identified several transactions that could be optimized – resulting in a significant improvement in CPU processing time during production.

### Better Data Management

SAP Enterprise Support also uncovered potential improvements in data management. By using broad database tables instead of reorganizing data on a regular basis, Ferromex reduced the volume of data in its database by 13%.

### Looking Ahead

To date, Ferromex has implemented 80% of the recommendations stemming from SAP Enterprise Support services. The company plans to deploy the remaining 20% shortly and to continue using SAP Enterprise Support to track application performance over time.

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