



GIVAUDAN

RISK TAKER PLAYS IT SAFE WITH SAFETY MANAGEMENT SOFTWARE FROM SAP

QUICK FACTS

“We now have a global EHS management platform that helps employees develop, produce, and market products in full legal compliance with all nations’ laws.”

Adrien Gonckel, Head of IT and Member of the Executive Committee, Givaudan S.A.

Company

- Name: Givaudan S.A.
- Headquarters: Vernier, Switzerland
- Industry: Consumer products – food and beverage
- Products and services: Fragrances and flavors for companies specializing in food and beverage products, personal care items, and fine fragrances
- Revenue: Around €3.04 billion
- Employees: 8,501 (global)
- Web site: www.givaudan.com
- Implementation partner: TechniData AG (Markdorf, Germany), now part of SAP AG

Challenges and Opportunities

- Stay compliant with customer-specific regulations and changing national and international regulations, including Registration, Evaluation, Authorization, and Restriction of Chemicals – or REACH
- Integrate product safety processes for global uniformity and cost-effectiveness

Objectives

Replace disparate systems and processes with single, worldwide, integrated solution

SAP® Solutions and Services

SAP® Environment, Health, and Safety Management (SAP EHS Management) application (used in conjunction with the TechniData CLEO content package)

Implementation Highlights

Employed phased rollout

Why SAP

- Integrated approach to environment, health, and safety compliance
- Comprehensive functionality
- Proven industry expertise
- Business process integration know-how
- One-stop shopping
- Content packages to cover different regions of the world; support for multiple languages

Benefits

- Maintenance of business continuity despite fast-changing, complex compliance environment
- Ability to develop and sell products in conformance with national and international laws and customer requirements
- Updates on rule and regulatory changes, based on current, centralized data now available throughout the whole value chain
- Support for the entire value chain
- Automated process management, enabling product managers to focus more time on highly productive activities like exception handling or implementing new products
- Better utilization and return on investment for entire SAP software landscape

Existing Environment

Disparate systems for EHS management worldwide

Givaudan[®]

SAP Customer Success Story

Consumer Products – Food and Beverage



Givaudan S.A., the global leader in the fragrance and flavor industry, is an adventurous company. It translates trends and moments into innovative fragrances and treks the world for new ideas, seeking out authentic flavors. But one place Givaudan does not seek adventure is in product safety and hazardous goods. That's why it chose to implement the state-of-the-art, integrated SAP® Environment, Health, and Safety Management (SAP EHS Management) application.

Used in conjunction with the TechniData CLEO content package – which provides regulatory data, phrase libraries, and expert rules – SAP EHS Management helps the risk taker play it safe. Comments Adrien Gonckel, head of IT and member of the executive committee at Givaudan, “By joining forces with SAP and TechniData, we were able to gain end-to-end control of our EHS processes.” TechniData AG, which recently became a part of SAP AG, came on board to drive the implementation after it submitted a proof of concept for all Givaudan products and substances and its divisions and plants worldwide.

Accommodating Expansive Laws and Regulations

Givaudan – which runs 80 global locations, 33 production sites, and 60 development centers for fragrances and flavors – is subject to expansive laws and regulations, including Registration, Evaluation, Authorization, and Restriction of Chemicals, or REACH. The exposure thresholds for its ingredients vary widely, depending on which parts of the body come into contact with the products containing its flavors and fragrances. Based on the intended use

and target market, a single substance can be subject to several thousand restrictions.

Givaudan uses the EHS management application to support these product safety parameters and its hazardous goods processes. Some 700 users work directly with SAP EHS Management; another 1,300 access material safety data sheets (MSDSs) via a document portal. SAP EHS Management automatically provides all the information and documents employees need for their target markets, supporting users in sales, product development, logistics, and customer service. SAP EHS Management is also embedded in the SAP ERP application, so everyone gets the appropriate data via user-specific workflow.

As an example, perfume developers might send a new formula directly to the EHS management application to check if the substances it contains are subject to restrictions, which vary depending on the intended market. SAP EHS Management automatically determines the classification of each substance and informs the product developers. “We can now develop,

produce, and market products in full legal compliance with all nations' laws,” says Gonckel. “And, in spite of the complexities, we are able to keep our operations running smoothly.”

Replacing Disparate Systems with Integrated Solution

Based in Vernier, Switzerland, Givaudan develops ingredients for consumer products, personal care, and fine fragrances companies, as well as for food and beverage manufacturers. It operates through a network of more than 40 subsidiaries in the established and emerging markets of Europe, Africa, the Middle East, North America, Latin America, and Asia Pacific.

Prior to introducing the SAP application, Givaudan had been running decentralized, heterogeneous systems, reflecting the independent processes of the flavors and fragrances divisions. Individual corporate units had created stand-alone solutions that met their own needs. The result was costly interfaces and redundant data storage; multiple data entry processes, with risks around data accuracy; and high maintenance and development costs that limited each unit's ability to adapt processes to changing business needs.

“We had to make fundamental changes to our existing procedures to address the changing regulations in our target markets of the future,” recalls Gonckel. “We knew we would only achieve the required degree of legal compliance with an integrated EHS management solution that could support a full range of environment, health, and safety tasks.”



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Givaudan started the transition by adopting the SAP ERP application for core business and EHS processes. It then focused on introducing SAP EHS Management and the TechniData CLEO content package to cover more industry-specific compliance and product safety needs. TechniData consultants, known worldwide for their EHS expertise, worked with Givaudan users to understand their business requirements; they then developed a comprehensive road map to help ensure the software met the company's short- and long-term goals.

Givaudan first went live in Europe with the EHS management software and is currently installing the solution in the United States, with the Asia-Pacific region to follow. The complete rollout of the EHS solution will encompass 30 legal jurisdictions and 29 languages.

Capitalizing on Tight Integration

SAP EHS Management is a comprehensive application that helps companies execute compliance and risk management initiatives on a local and

manage regulatory compliance, take an integrated approach to risk management, and address corporate sustainability.

The TechniData CLEO content package, which integrates with the SAP EHS Management application, contains thousands of chemical substances and their identifiers and properties, as well as data on regulations and international legislation. The content packages are available in regional versions to support different parts of the world. Designed specifically for companies that manufacture hazardous substances or transport dangerous goods, these packages help organizations like Givaudan efficiently optimize processes for managing chemical substances and ensuring regulatory compliance.

Drawing Upon a Massive Online Database

In addition to helping ensure compliance, Givaudan uses SAP EHS Management and the TechniData content package for product safety – to create MSDSs and labeling data and to manage dangerous goods checks, classifications,

to warehouse administrators, who then use the software to create logistical and transfer instructions and other necessary documentation for the items.

The EHS software draws the regulatory data from content databases maintained by Givaudan and industry associations. This lets Givaudan identify, track, maintain, and comply with international regulatory guidelines, as well as quickly effect mass updates across its own global database.

Integrating Business, Health, and Safety Data

SAP EHS Management obtains Givaudan's business data via integration with SAP ERP. For example, product developers rely on SAP EHS Management to collect information about ingredients and legal compliance from bills of materials, purchasing records, and logistics files residing in SAP ERP.

Working in tandem with the TechniData CLEO content package, SAP EHS Management runs automatically at Givaudan, identifying incomplete data and process deviations; staff members only have to input data manually when adding new products. If the composition of an existing product changes, the software updates all the affected documents and helps ensure they are resent to customers. The same applies to modifications in legal status, so that only the most up-to-date data is used throughout the company. New or modified requirements can be incorporated with minimal cost and made available to users throughout the value chain without delay.

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global level. It helps firms overcome the challenges of multiple departments, solutions, and regions with an integrated set of functions, rather than disconnected IT tools. This enables companies to

and documents. Purchase requisitions are linked with the EHS management software through workflow, which triggers an approval process to identify and mitigate risk. Information is routed

Taking the Strain off Resources

The high degree of integration and automation enabled by SAP EHS Management has made it much easier for employees to perform their day-to-day activities; it has also helped ensure legal compliance without putting unnecessary strain on resources. Integration of SAP EHS Management with SAP ERP has delivered significant added value as well in regards to IT – Givaudan reports that it has boosted utilization levels across its entire SAP software landscape and has achieved a faster return on its SAP EHS Management investment.

Givaudan now enjoys streamlined procedures for product safety and hazardous goods worldwide and cost-effective control of EHS issues. It can also remain confident in its ability to provide customers and regulatory agencies with consistent product compliance and safety data in a timely manner.

"Our customers demand high quality; our products have to meet strict conditions and complex market requirements," says Gonckel. "In order to maintain our global operations while dealing with this high level of complexity, we need to provide employees across multiple business areas with the process-specific information they require to do their jobs effectively. We rely on SAP EHS Management and TechniData CLEO to obtain crucial information cost-effectively and to harmonize our environment, health, and safety processes."

The new working partnership between SAP and TechniData, which has long been considered the world's leading provider of product safety and EHS solutions, will help ensure that Givaudan's EHS management needs continue to be optimally met. This is particularly critical as regulations evolve and new ones – such as the 2011 EU flavor labeling rule – are introduced.



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