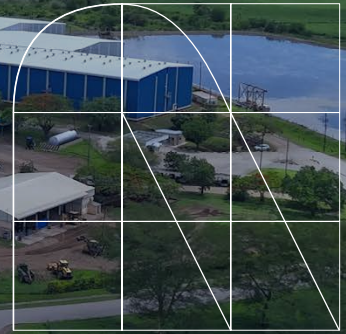


Royal Eswatini Sugar Corporation innovates and saves with SAP S/4HANA



Client profile

The Royal Eswatini Sugar Corporation (RES Corporation) is one of the largest companies in Eswatini. The company employs over 4,500 people and produces two-thirds of the country's sugar and 35.3 million liters of ethanol a year.



RES Corporation has been partnering with NTT DATA for SAP for more than a decade. The partnership was essential for successfully moving to SAP S/4HANA and public cloud. This collaborative approach supports precision farming, increased yields and improves efficiency, allowing the corporation to thrive and compete in the global sugar market.



One of the reasons for choosing NTT DATA is their global footprint. We're a small little company in Eswatini, and our project has utilized skills from South Africa, India and Germany. We can call up the right people when we need to. That's been very powerful."

Rob Coombe, Group IT Manager, RES Corporation

14%

saving on the full running costs of SAP

±50

different information systems integrated into SAP S/4HANA

1

day of consulting leads to 2 years of innovation

Business need

Reduce the price of producing sugar

In Eswatini, the sugar industry is made up of sugar-cane growers and three sugar mills, two of which are owned by the RES Corporation. The cane comes to the mill and the corporation turns it into sugar and molasses, which the Eswatini Sugar Association sells. The revenue is then divided between millers and growers.

“As a business, RES has to be competitive in the global sugar market, because we don’t set the price of sugar,” explains Nick Jackson, the Managing Director of the RES Corporation. “Raw sugar is sold on the New York Sugar No. 11 market, and white sugar is sold on the London Sugar No. 5 exchange. We have to be able to compete with the best, because the best sets the price.”

“Sugar is a 300-year-old industry, and everyone is fighting to get the unit cost down. So, innovation is key. RES is always thinking of and testing new ways of doing things — in the factory, in the field, even in admin, where we’re becoming paperless. We innovate everywhere,” says Jackson.

Agriculture is complex. In the field, crops require water, pest control and other interventions to keep them healthy in any weather conditions, so they will be ready for harvesting. Sustainability is a must, and farm equipment must be repaired fast if it breaks.

In the mills, it’s important to keep track of large, complex machinery and how they function. Boilers, for example, create better quality sugar when the temperature is constant. And to keep operations running smoothly, the growers and the mills need to communicate so the mills know how much cane to expect.

RES Corporation needed data to make the right decisions from field to factory and measure the impact of innovations. They moved to SAP in 2014, making it much easier to organize data to make better decisions. However, to leverage growing technologies like AI and digital twins, they needed to move to the cloud.

The journey to cloud was also about changing how they spend their funds, as the sugar business is a capital-intensive one. One of the goals of moving to cloud was to shift to an opex model to reduce their capital spend and get a better return on investment.

Solution

One day of expertise launches two years of innovation

The partnership between RES Corporation dates back to 2014, when we integrated around 50 different information systems into SAP in line with global best practice. More than a decade later, we continue to work together to explore the sugar producer’s manufacturing, supply-chain and farming needs and how technology can help their operations run more smoothly.

Our local team works with them from farm to factory to boardroom, while our global NTT DATA consultants support the local teams with specialist SAP knowledge. We’ve collaborated with SAP to develop solutions specific to the agricultural industry. The local and global teams work together to translate the needs of a local Eswatini sugar producer into SAP technology requirements.

We took the same consultative approach to cloud migration. RES Corporation started the journey to cloud by asking to meet NTT DATA’s best architects to establish the best solution for the business. So, that’s what we did. Within one day, we had discussed and created a roadmap for the next two years.

The solution was the public cloud. NTT DATA’s South African architects came up with the solution outline and global cloud experts helped fill in the gaps. SAP was chosen because they already had roadmaps for innovation and moving existing SAP solutions to the cloud. “Their business technology platform enables us to grow the business, which, in turn, allows us to grow IT and to do all sorts of amazing things going forward. SAP fit our vision for the future,” says Coombe.

“The main challenge when moving to the cloud was change,” explains Nqobile Ntiwane, the Application Services Manager at RES Corporation who managed the SAP S/4HANA project. The changes were essential for the project to be successful, but users needed to embrace the change. “We went through our processes and identified what would change, what the business impact would be, and which interventions would help us address gaps. Some were as simple as training.”

We also managed more complex challenges, such as changing business processes to meet international cloud standards. We carefully managed the migration to reduce risk.

With a roadmap and a strategy for mitigating risk, we implemented SAP’s business technology platform. RES Corporation can use tools within the platform to add features to the public cloud. For example, they use the SAP Analytics Cloud for data capture, analysis and business planning.

In addition to S/4HANA, RES Corporation are using SAP SuccessFactors to deliver an exceptional employee experience to their 4,500 team members.

Outcomes

Continued innovation and enhanced efficiency

SAP S/4HANA and managed infrastructure give the RES Corporation more opportunities to innovate as a digital and sugar business, compete internationally and branch out to new markets. "Precision farming or data-driven farming is the way to go. It's what's happening around the world, and we now have the tools and expertise to be able to do that," explains Coombe. "Together with our partners, NTT DATA and SAP, we can move into the future with confidence."

Lowering the cost of ownership (TCO)

Moving to a cloud environment cuts down on the infrastructure needed for their enterprise resource planning (ERP) system, immediately freeing up capital with an opex model. Implementing best practices and aligning with public cloud standards further reduce costs in the long term. Regular updates and innovations are included in the managed cloud solution, keeping the system up to date without increasing the TCO.

Future-proofing the ERP

Implementing SAP S/4HANA provides a platform that can support continuous innovation and adapt to the evolving needs of their business. The managed solution gives the RES Corporations access to all the latest SAP tools such as Joule, an SAP AI copilot. Joule helps employees navigate to the functions they need, find out how to use SAP applications and complete tasks using natural language.

Supporting community agriculture

"We use an SAP agribusiness solution that allows cane suppliers and small growers to monitor their crop growth and farming tasks," says Coombe. "This allows us to supply them with the right levels of chemicals and agrochemicals so they can grow their crop. They can access data at any time, from their cellphone, to know what they need to do on their farms."

Saving water and increasing sugarcane yields

With about 18,000 hectares under subsurface drip, RES Corporation is the single biggest drip-irrigated sugar estate in the world. They use the data insights from their ERP solution to water only where it's needed most. "Instead of using sprinklers and flood irrigation, we are feeding the plant exactly where needed — at the root," explains Thembinkosi Kunene, Factory Production Manager at RES Corporation. "All these innovations are helping us to save water and yield more tons of cane per hectare."

Preventing costly equipment breakdowns

"The condition-monitoring systems in the factories make it easy to prevent big breakdowns that would have cost millions," says Kunene. "If there's a problem, the system will stop the equipment before it breaks down. And the system will start again only once you've solved the problem."

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We didn't start the project as a technology journey. We approached it as a business journey. IT doesn't make any difference to the taste of the sugar or the look of the sugar, but it certainly makes a difference for us as a business.”

Rob Coombe, Group IT Manager, RES Corporation