

## SAP Customer Success Story



**In this Internet Age, some companies outgrow their IT solutions very quickly. The old infrastructure at Penguin Computing could not keep up with the company's rapid growth. So the California company decided to make a radical change. In just six weeks, it transitioned from the old system to a new one: mySAP.com running atop the Linux operating system on Penguin Computing's own servers.**



### **PENGUIN COMPUTING INC. IS LIVE ON mySAP.com®** **A FRESH START WITH** **mySAP.com® ON LINUX**

Penguin Computing Inc., based in San Francisco with nearly 100 employees, produces powerful Linux servers for Internet mission-critical applications. Its servers, which lead the industry in reliability, are sold in Europe, Africa, Asia, and Australia as well as the U.S. The company operates in a very competitive market, and its management is banking on gaining a competitive advantage by deploying the mySAP.com e-business platform.

“Our information technology just couldn’t scale any further,” admits Penguin Computing’s IT director, Gareth M. de Bruyn. “We had only limited visibility of key business metrics. We couldn’t tie information systems to the front end and were using much more paper than I liked. Different parts of the company used different applications that didn’t work together. We needed a central information repository that all departments could access.”

Penguin Computing was well aware that this IT infrastructure would not be able to cope with its growth, expansion into other markets or the addition of new manufacturing plants. So the IT director, a longtime SAP® consultant, prescribed the course of action: implement the mySAP.com e-business platform. The main reasons – besides mySAP.com’s functionality, openness, and integration – were its scalability, its ability to handle comprehensive bill-of-material configurations, multiple-currency support and, above all, its smooth interaction with the Linux operating system. The fact that mySAP.com also includes best-of-breed

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business processes to accompany the software package (integrated customer relationship management, for example) was another benefit that influenced Penguin Computing in its decision.

De Bruyn describes Penguin Computing's strategic goals in the implementation of the SAP software, "We want to build continuously on our infrastructure to deliver products and services quickly and efficiently. We want to be faster than our competitors in developing, manufacturing and marketing products. We also want to be able to scale to meet customer requirements. Achieving these goals will give us a competitive advantage, and mySAP.com is making this a reality."

Penguin Computing's goal was to implement mySAP.com with the focus on financials, controlling, materials management, sales and distribution, and production planning functionality – within six weeks. It was an ambitious plan, but a team of dedicated Penguin Computing employees, along with a long-term SAP implementation partner, got the job done on schedule. Penguin Computing became one of the first companies in the U.S. to run mySAP.com on Linux.

**"Our information technology just couldn't scale any further."**

Gareth M. de Bruyn, IT director Penguin Computing

mySAP.com's strengths are now visible throughout Penguin Computing. Different departments work together more easily and have access to the same information. The company now follows defined business processes and has streamlined material requirements planning. It enjoys faster transaction time as well as full visibility of orders and inventory.

De Bruyn, "Penguin Computing employees are working more effectively. Productivity is up, and our costs are down. We're shipping orders faster and can offer our customers promised delivery dates. Customer service has become more efficient. We now have access to key business metrics. And what we measure we can improve."

But Penguin Computing isn't done yet. The company plans to incorporate electronic data exchange over the Web, letting vendors, suppliers, and financial institutions communicate with the company easily and instantaneously.

Penguin Computing, under a special agreement with SAP's Linux lab, runs mySAP.com on three of its own quad Pentium III Xeon servers. The SAP R/3® System runs on a Linux operating system (Red Hat 6.1). Thirty-five employees currently use mySAP.com, and once other solutions are in place – mySAP Customer Relationship Management and mySAP Human Resources are tentatively scheduled – the number of users will rise to about 60. Says De Bruyn, "In the medium term we also want to implement SAP's Variant Configurator and SAP Business Information Warehouse."

The IT director believes the decision to use mySAP.com was the right one. "We have a very solid base running mySAP.com on Linux," he says. "This is a world-class infrastructure, and we're eager to keep building on it."