Sello Rojo: Saves Up To 80% in Licensing and Maintenance Costs with SUSE

With the Intention of growing the business, maximizing its corporate management processes, and optimizing investments in technology, Sello Rojo migrated from SAP ECC 6 (running on a proprietary operating system) to SAP S/4HANA (running on SUSE Linux Enterprise Server for SAP Applications). Shortly thereafter, they recorded savings in licensing and maintenance costs while registering increases in efficiency and security throughout their IT environment.

Sello Rojo at-a-Glance:

Sello Rojo employs over 4,000 people in the production and distribution of dairy, juice, and other packaged food products throughout Mexico.

Industry
• Food and Beverage

Product and Services
• SUSE Linux Enterprise Server for SAP Applications
• SUSE Linux Enterprise Live Patching

Location
• Guadalajara, Mexico

Results
+ Up to 80% savings in licensing and maintenance costs
+ Operating system updates 30% faster
+ Zero interruptions in non-planned maintenance windows
+ Higher information reliability

Overview

Loved by generations, Sello Rojo is a 100% Mexican company dedicated to the production and marketing of milk, its derivatives, and other foods. Running two operational plants and 50 distribution centers, the company employs over 4,000 people and is committed to developing high quality products with a focus on quality service and customer satisfaction.

Challenge

In 2017, Sello Rojo identified opportunities to improve business operations by streamlining processes and optimizing IT investments. Historically, they had been managing their finances with SAP ECC 6, running on a proprietary operating system with on-premise, Hewlett Packard Enterprise (HPE) Proliant servers. Upon review, Sello Rojo discovered that continuing to maintain its SAP ECC 6 environment would require repetitive, high cost patching investments and sizable amounts of downtime when applying

updates. Therefore, they decided to migrate their environment to run on SAP S/4HANA as a more reliable, cost-effective alternative.

In order to migrate functions from SAP ECC 6 to SAP S/4HANA, Sello Rojo would have to invest in new hardware. They would also need to update their proprietary operating system on the new servers to ensure the equipment functioned at optimal efficiency.

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Verónica Ruiz
Head of Senior Applications
Sello Rojo

However, updating the proprietary operating system would require high licensing fees and the need to establish new budgets every time the manufacturer issued software updates.

To help navigate these challenges, Sello Rojo partnered with CITEI, a technology consultancy firm based out of Mexico, and HPE to find a solution.

"With CITEI and HPE, project partners for SAP S4/HANA, we learned a Linux-based system would be much more efficient," says Verónica Ruiz, head of senior applications for Sello Rojo. "It was then they told us that SUSE has a Linux operating system certified by SAP."

Solution
Ruiz reflects that initially the idea of replacing their proven proprietary operating system scared Sello Rojo's IT team. This would be their first foray into using a Linux system. "SUSE's partnership with CITEI and HPE helped us understand not only the benefits that SUSE Linux Enterprise Server for SAP Applications could offer us, but also that it would be much easier to use," says Ruiz.

In the end, Ruiz's team decided to move forward because the solutions would be easy to implement and because SUSE Linux Enterprise Live Patching would help them save significant amounts of time when applying updates.

"All parties—HPE, CITEI, SUSE and Sello Rojo—operated in a very coordinated way. We all worked as a single team. We were all one single project," says Ruiz. "In just two months they replaced our legacy systems with three Sinergy servers and six VMware virtual servers, all running SAP S/4HANA on SUSE Linux Enterprise Server for SAP Applications."

The cultural change happened quite smoothly as SUSE provided training for SUSE Linux Enterprise Server for SAP Applications and SUSE Linux Enterprise Live Patching. "The knowledge hand-over happened naturally as we configured and implemented everything together," she says.

Results
By replacing the proprietary operating system with SUSE Linux Enterprise Server for SAP Applications, Sello Rojo was able to save up to 80% in software licensing and maintenance costs. "There was already a significant cost reduction due to the reduction of required maintenance, but we are saving even more by no longer needing to pay user license fees," says Ruiz.

But the benefits go beyond financial savings. According to Ruiz, SUSE Linux Enterprise Server for SAP Applications is more secure and efficient than their previous operating system. She explains, "Updates also bring more efficacy–we don't have as many patches as we had before, and SUSE Linux Enterprise Live Patching makes issuing patches much easier."

From a business standpoint, SUSE Linux Enterprise Server for SAP Applications allows Sello Rojo to take full advantage of the data analysis capabilities offered by SAP S/4HANA. "And on the other hand, it prepares us for the big data projects in Sello Rojo's pipeline for expanding into new retailers and new cities," reveals Ruiz.

Additionally, Ruiz's team is beginning to explore how SUSE Linux Enterprise can support other projects, such as working with Java developments and even a desktop migration.

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