

## SAP Customer Success Story Oil and Gas



**“Nowadays, thanks to SAP Business One, we can ensure strict compliance with all the tasks inherent in the proper just-in-time working of the company.”**

Jorge Teixeira, Managing Director, Scalea Combustíveis Lda.

### AT A GLANCE

#### Company

- Name: Scalea Combustíveis Lda.
- Location: Vila Nova De Famalicão, Portugal
- Industry: Oil and gas
- Products and services: Supply and transport services in areas such as fuels, lubricants, chemicals, and asphalts
- Revenue: €30 million (projected for 2007)
- Employees: 8
- Web site: [www.scalea.pt](http://www.scalea.pt)
- Implementation partner: Eugénio Branco – Gestão e Serviços Lda.

#### Challenges and Opportunities

- Full integration of all business processes into a single application, including delivery note issue and direct contact with haulers, loading centers, and customers
- Improved profitability through effective management of existing resources and increased appetite for change, innovation, and business growth
- Significant reduction in the quantity and complexity of information produced, as it hindered the decision-making process

#### Objectives

- Utilize human resources and IT resources effectively
- Streamline the business, in both the operational and financial areas
- Optimize the commercial area and customer relations

#### SAP® Solution and Services

- SAP® Business One application

#### Implementation Highlights

- Rapid rollout
- Near-perfect fit right out of the box
- On budget

#### Why SAP

- Increased flexibility and ability to adapt to the evolution of the business
- Extensive functionality and ease of use
- More effective control mechanisms
- Short- and long-term advantages

#### Benefits

- Full integration of business processes into a single application
- Reduction in the amount of complex information and simplification of procedures, with clear gains in employee productivity monitoring
- Increase in the quality and reliability of accessible information and the access speed
- Increase in tasks carried out by the company (centralized operations)
- Complete control by management of the key business areas, particularly sales margins and traceability
- Sustained business expansion and diversification of strategy support information

#### Third-Party Integration

- Hardware: ASUS Tower PIV
- Operating system: Microsoft Windows 2003 Small Business Server

## SCALEA COMBUSTÍVEIS

### SAP® Business One Provides Supply and Transport Services Company Greater Control and Efficiency

Founded in 1999 by two brothers with vast experience in the fuel sales field, Scalea Combustíveis Lda. (Scalea) is now an enterprising, dynamic company. Headquartered in Vila Nova De Famalicão, Portugal, Scalea provides supply and transport services in areas such as fuels, lubricants, chemicals, and asphalts. Buying and selling these products and delivering them to customer-specified locations are part of the company's routine business. As the company continues to grow, Scalea relies on the valuable support provided by the SAP® Business One application.

#### Operational Control and Increased Profitability

Jorge Teixeira, managing director of Scalea, believes the SAP software constitutes a vital advantage in the management of the business. “Tracing an order through to delivery to the customer and its payment is now possible with this software. We couldn't do this before. We had to rely on our own capabilities and those of our employees,” Teixeira explains.

To grow profitably, business owners need to attain a new level of control over their operations. Teixeira provides an example: “One of the most important aspects of our business is the control of the quantities of products that are traded. It's essential that the quantities we buy – be they fuels, lubricants, chemicals, or asphalts – are exactly the same as those we sell. We can now check this in seconds. We just have to view the order and the customer in question to immediately ascertain . . . what exactly happened, when, and where. Any deviation is minute. The benefits for us are immense since waste is incomparably smaller and costs are optimized.”

### **Centralized Operation Leads to Greater Efficiency**

Scalea benefits from the centralized operations that are now possible with SAP Business One. Teixeira explains, "The delivery note issue is now centralized at the company, and delivery notes are provided electronically to the haulers, loading centers, and customer, simplifying both the billing and collection processes remarkably. In this way, we save time, cut down on paper, avoid

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unnecessary bureaucracy, and are able to respond very quickly to any doubts that might arise, in the collections area, for example. In the event of a complaint, the situation can be immediately located, identified, and resolved, since all parties involved are traced by the application."

In addition, the SAP software enables everyone to find business information easily across all functional areas. Teixeira adds, "Knowing what, how, and with whom we do business, and with what profitability, is everything that a manager could wish for. Scalea, a company undergoing significant growth, knows where it is headed and also knows that it now does business in a more reliable manner with the support of SAP Business One."

The company benefits from an end-to-end view of their entire operation. Teixeira explains, "The SAP software, at both a business management and accounting level, provides us with thorough, accurate, and timely information. This information allows us to consider and decide upon new developments. It helps us to grow because it simplifies many of the management tasks and suggests new paths for us."

### **Growing in International Markets As Well**

Integrating information about customers – what they do, how they do it, with whom, and with what profitability – into a single application was something Teixeira and his brother had wanted to do for a long time to leverage the company's growth. The process involves constant diversification of the different business areas both in the domestic market and abroad.

Initially Scalea worked primarily with the textile industry. Now it works on a regular basis for sectors such as construction, public works, transport, commerce, services, and public administration. The company also started operating out of Vigo, Spain, through Scalea Combustibles Lda., in June 2005. France and England might be the next destinations, as the company extends its international reach in a sure and sustained manner. With the international market in mind, the company applied for and obtained authorization to import fuels on a drawback basis in March 2007. Scalea can now import fuel from international markets, taking advantage of the economies of scale and synergies generated by partnerships and activities of this type.

As Scalea finalizes its restructuring program, of which SAP Business One is a part, the company will honor the commitments made to its customers, resulting in a revenue of about €30 million in 2007. Teixeira says, "Since we started the business, growth has been a constant factor. Above everything, our attention and interest are focused on the customers, for we believe that this is the starting point in establishing lasting relations. We also like challenges, diversification, and development. As a result, we have obtained remarkable growth and profitability indexes. This is how we want to continue and we count on SAP Business One for support in even bolder flights."