



## Coca-Cola Bottling Co. Consolidated migrates to IBM DB2, saves more than \$1 million

Coca-Cola Bottling Co. Consolidated (CCBCC) is the largest independent Coca-Cola bottler in the United States and is responsible for producing, marketing and distributing non-alcoholic beverages, primarily products of The Coca-Cola Company. Headquartered in Charlotte, North Carolina, CCBCC operates five production centers and 47 sales centers in 11 states, mostly in the southeast. The company employs approximately 6,000 people and reported sales of more than \$1.5 billion in 2011.

### Staying competitive in a tough market

Like many other manufacturers, CCBCC has been affected by higher fuel prices and the rising cost of raw materials. In such a highly competitive market, the company cannot afford to pass along these costs to its customers, and is constantly looking for ways to cut its operating costs

and increase profit margins, without sacrificing the high quality that customers have come to expect from its world-famous sodas.

Andrew Juarez, Lead SAP Basis and DBA at Coca-Cola Bottling Co. Consolidated, notes: “We happen to be in a market where we are considered an expendable item. In other words, it is not something that is mandatory. So we cannot push the price off to our customers to offset any losses that we may have, which means that we need to be very competitive on how we price our product.”

### Making the move to IBM DB2

In 2007, CCBCC’s parent company, the Coca Cola Company, signed a new agreement with SAP and IBM, one which made it more financially attractive for CCBCC to migrate from its existing Oracle database to IBM® DB2® as part of its SAP license. The IT team realized that this development

### Overview

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#### Challenge

**Coca-Cola Bottling Co. Consolidated (CCBCC) faces severe business challenges: the rising cost of commodities and sharply higher fuel prices cannot be allowed to impact consumers of its world-famous sodas.**

#### Solution

**At the time of an SAP software refresh, the CCBCC IT team reviewed the company’s database strategy and discovered that migrating to IBM DB2 offered significant cost savings.**

#### Key benefits

**DB2 has delivered total operating cost reductions of more than \$1 million over four years, and has improved compression rates by 57 percent so far. Beta testing of IBM DB2 10 has shown further gains of 30 to 60 percent in process runtimes and a 20 percent improvement in compression rates.**

## **Business Challenge**

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**CCBCC is constantly challenged to keep operating costs low and profit margins high in the face of rising commodity prices.**

**Market competition is fierce, and CCBCC cannot afford to sacrifice quality or increase prices for its customers of its world-famous sodas.**

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presented the perfect opportunity to reduce its IT operating costs.

Tom DeJuneas, IT Team Manager at Coca-Cola Bottling Co. Consolidated states: “We did a cost projection, looking at the cost of Oracle licenses and maintenance fees, and calculated that we could produce around \$750,000 worth of savings over five years by switching to IBM DB2. We also undertook a proof-of-concept phase, which showed that IBM DB2 was able to offer the same, and potentially more, functionality as an Oracle system.”

Based on these findings, CCBCC IT developed a business case for migrating to IBM DB2, which was accepted by senior management. CCBCC worked with IBM to migrate its SAP applications from Oracle to DB2 9.1, a process which took just two and a half months to be completed.

CCBCC has now been running its SAP systems on DB2 for four years, and is currently using IBM DB2 9.7. Moving from Oracle has brought about a significant change in the IT organization’s strategy, as Andrew Juarez explains: “When we were on Oracle, our philosophy was that we did not upgrade unless we were doing a major SAP upgrade. If the version was

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“At CCBCC it is very important for us to stay on the frontline of innovation, and technology like IBM DB2 helps us to do that. Based on our experience, I do not see why anyone running SAP would use anything other than IBM DB2 as its database engine.”

### **Tom DeJuneas**

IT Team Manager  
Coca-Cola Bottling Co.  
Consolidated

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stable, then we stayed on it. Now, with IBM DB2 our strategy has completely changed, because with every new release our performance keeps getting better and better, and the value of the solution continues to grow.”

### **Fast, accurate data**

IBM DB2 manages key data from SAP® ERP modules such as financials, warehouse management, materials management and customer data.

Andrew Juarez explains, “This data is highly critical to our business operations. If we did not have this information up and running in a reliable fashion, our warehouses would stop, which would have a domino effect on the entire supply chain. So it is vital for us to process the data from our SAP ERP systems in a timely matter, and IBM DB2 lets us do exactly that.

Following the migration to IBM DB2, CCBCC has seen a significant improvement in response times across its systems, which has allowed it to accelerate a number of supply chain processes. Tom DeJuneas states, “Many of our background jobs and online dialog response times have improved considerably. For example, on the first night after we performed the switchover, one of our plant managers reported that jobs that normally took 90 minutes to run were running in just 30 minutes. This was simply by changing the database. So we had a massive performance increase in supply chain batch runs right from the get-go.

“We run a very tight supply chain, so it is incredibly helpful when we can speed up our processes, as it allows us to get the product on the trucks faster, so that we can ensure that the product gets

to the shelf on time. We never want to have a customer go to a vending machine or store only to find that our products are not in stock.”

### **Impressive cost savings**

CCBCC estimates that IBM DB2 has delivered upwards of \$1 million in operational cost savings. The company achieved Year One savings of \$250,000 in new Oracle licenses, as well as \$55,000 in Oracle maintenance fees. Database size reduction has led to data storage disk, backup tape drives, tapes, maintenance and device savings of more than \$275,000. The estimated return on investment (ROI) is more than 205 percent, with a ROI breakeven in approximately eight months and a five-year internal rate of return of more than 133 percent.

“Originally, when we did our business case for moving to IBM DB2, it was built around the savings on our Oracle licenses and maintenance, and that was it,” notes Andrew Juarez. “We did not factor in disk savings, so the fact that we are seeing additional savings around storage is icing on the cake. We had originally projected about \$750,000 savings over five years and to date we are at four years and have seen a just over a million dollars in savings after migrating to IBM DB2. So we have



### **Solution**

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**CCBCC took advantage of an SAP licensing agreement with The Coca-Cola Company to replace its existing Oracle database with IBM DB2.**

**CCBCC has subsequently upgraded to IBM DB2 9.7, and is currently beta testing IBM DB2 10.**

**The company plans to roll out the DB2 10 platform across its SAP production system once it is certified for general release.**

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## Key Solution Components

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### Industry

#### Manufacturing

### Applications

#### SAP ERP 6.0

### Software

#### IBM DB2 9.7 for Linux, Unix and

#### Windows, IBM AIX® 6.1

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bettered our original estimate by more than 25 percent.”

IBM DB2 has helped CCBCC to make better use of its existing resources, delaying costly investment in new hardware and freeing up more money for investment in other projects. In this way, the IT department is helping CCBCC to achieve its objective of keeping prices competitive, so that it does not pass on any costs to its customers, which ultimately allows the company to maintain its volume and share of the beverage market.

“Reducing the cost of our day-to-day operations has enabled us to reinvest the savings in projects that are important to the business, such as the purchase of new infrastructure,” says Tom DeJuneas. “This allows us to keep the company on the newest platforms and take advantage of the latest upgrades, so we can respond to changes more quickly and make better business decisions based on more accurate information. We are also able to look at more innovative ways of doing business, which allows us to remain competitive.”

### Upgrading to IBM DB2 10

CCBCC is now planning an upgrade to IBM DB2 version 10, and has

been performing extensive beta testing. Andrew Juarez remarks, “We decided to join the IBM DB2 10 beta program in May 2011, and we are now making plans to roll it out across our development and testing systems. Our goal is to have IBM DB2 10 fully implemented across our SAP production system by November 2012.”

The IT team initially focused on testing the compression rates for DB2 10, and found that the platform delivered a significant improvement in database compression.

“When we first migrated from Oracle to IBM DB2 four years previously, we saw a 40 percent compression of our database size,” states Tom DeJuneas. “When we upgraded to DB2 9.7, we actually got another 20 percent improvement in compression, and now with DB2 10 we are seeing another 20 percent compression.”

Combined with the 60 percent improvement that CCBCC has already seen in its database compression rates, the upgrade to IBM DB2 10 is poised to further boost the solution’s overall value, as it will allow the company to delay purchasing new disk and tape storage. CCBCC estimates that the solution will allow it to go almost five years without

having to add storage to its existing SAP systems.

Additionally, beta testing on IBM DB2 10 has shown phenomenal gains in system response rates and process runtimes. “We immediately found that the performance on DB2 10 was remarkable, so we started do a lot more testing around SQL queries, transactions and batch jobs,” explains Andrew Juarez.

“For example, we tested a job that normally takes 30 to 36 hours to run and it ran in two hours the very first time we tested it on IBM DB2 10. We could not believe it, so we double checked and got the same result – it was a 90 percent savings. We started testing other things and we were seeing anywhere from 30 to 60 percent savings across the board on those types of transactions, which is huge. Needless to say, we are very excited to start rolling out DB2 10.”

Tom DeJuneas concludes, “At CCBC it is very important for us to stay on the frontline of innovation, and technology like IBM DB2 helps us to do that. Based on our experience, I do not see why anyone running SAP would use anything other than IBM DB2 as its database engine.”

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**Tom DeJuneas**

IT Team Manager  
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**Business Benefits**

- **Delivered operational cost savings of more than \$1 million.**
  - **Improved total compression by more than 57 percent.**
  - **Improved processing times by 60 percent.**
  - **Enabled reduction of 30 to 60 percent in transaction completion time.**
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**Watch the IBM DB2 video on Coca-Cola Bottling Co. Consolidated**



<http://www.youtube.com/watch?v=qma5TMpxtCY>





IBM Deutschland GmbH  
D-71137 Ehningen  
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