

How Can a Traditionally Stable Industry Survive the Slow Burn of Market Disruption?

Companies are quickly moving away from traditional business models to compete in a marketplace that is uncertain – even those with a centuries-long history of stability and growth. Japan Tobacco International (JTI), a world-leading tobacco manufacturer, quickly realized the disruptive impact of the arrival of e-cigarettes and vapor products. Now, the Swiss-based company is facing competition that is opening up new channels to engage and sell to a wider audience.

JTI is taking the next step to grow with confidence by moving to SAP S/4HANA® to simplify and accelerate its digital strategy. This single platform is connecting implementations of SAP® Business Warehouse powered by SAP HANA® and the SAP Business Planning and Consolidation application as well as finance, supply chain, and human resources solutions from SAP. With the combination of consolidated data and consulting services and value assurance service packages from the SAP Digital Business Services organization, JTI is controlling its future by creating industry-disruptive innovations amidst an era of unprecedented evolution.





“For JTI, our move to SAP S/4HANA is a **key opportunity to run on the leading edge** by embracing new technologies, instead of acting as a follower.”

Atiq M. Samad, Vice President of IT, Business Platform Modernization, Japan Tobacco International

Japan Tobacco International (JTI), one of the world's largest tobacco manufacturers, is beginning to realize its digital vision of reshaping the future of its brand and the industry with help from SAP S/4HANA®. By moving its single SAP® ERP application to SAP S/4HANA, the company is increasing the speed and accuracy of data-driven insights to bring innovative strategies to market at record speed. As more and more entrants flood the market, JTI is now shifting its focus toward retaining its market leadership.



27,000*

Employees across 120 countries who are adopting a new digital mind-set



25*

Factories worldwide running with real-time visibility of supply chains



9*

R&D centers innovating new products with better insight by using new technologies

*numbers from 2016



Setting the Foundation for Industry Disruption with **SAP S/4HANA®**



Japan Tobacco International (JTI)

Geneva, Switzerland

www.jti.com

Industry

Consumer products

Products and Services

Tobacco offerings, including cigarettes, cigars, rolling tobacco, smokeless tobacco, e-cigarettes, and vapor products

Employees

27,000 (2016)

Revenue

€8.93 billion (2016)

SAP® Solutions

SAP S/4HANA®, SAP® Business Warehouse powered by SAP HANA®, the SAP Business Planning and Consolidation application for SAP S/4HANA, and SAP Value Assurance service packages

Swiss-based tobacco manufacturing giant Japan Tobacco International chose SAP S/4HANA to help streamline and accelerate its digital business transformation strategy. Through this single platform, all employees have the capacity to make informed choices that could launch the next chapter of the industry's long history.

Before: Challenges and Opportunities

- Take advantage of emerging technology to seize opportunities for new channels
- Strengthen the brand position as an international leader
- Modernize the main business platforms and trigger a wave of transformational change company-wide
- Sharpen budgeting, forecasting, and reporting to improve accuracy, timeliness, and transparency

Why SAP

- Greenfield finance transformation combined with a brownfield conversion of the SAP ERP application to SAP S/4HANA, allowing the reuse the existing ERP configuration as well as entirely new financial innovations
- One platform to connect all technology-supporting areas, such as HR, finance, logistics, and supply chain
- Early conversion of a sandbox system, accelerating blueprint development for JTI's corporate digital strategy
- Process redesign by prototyping innovation with the help of SAP Digital Business Services
- Deep expertise to understand business needs and adopt value-added functionality
- Minimal transaction data conversion required, accelerating the deployment

After: Value-Driven Results

- Increased speed in creating and accessing insightful, accurate reports
- Stronger governance of data collection, cleansing, and quality
- Steady elimination of reconciliation efforts to help employees become more productive, maintain cleaner books, and act in real time

“We received excellent guidance from SAP Digital Business Services. JTI and SAP are really **working as one team with very good resources that provide top-notch quality.”**

Atiq M. Samad, Vice President of IT, Business Platform Modernization, Japan Tobacco International

1 platform

To drive innovation and digital transformation

Better

Insights to empower employees to act in the moment

Faster

Business processes through automation and predictive suggestion

Bolder

Opportunities to disrupt the industry and run on the leading edge



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