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Jennifer Peltzer
Corporate Director of Information Services
MGP Ingredients

CASE STUDY

MGP Ingredients: Partnering With oXya to Deliver the Best SAP Technical Services

“oXya has been our trusted partner for SAP managed services since 2010, when we implemented our first SAP system”, says Jennifer Peltzer, Corporate Director of IS at MGP Ingredients. “The oXya Cloud Application Services Group, assigned to MGP all these years, understands our IT environment and our manufacturing facilities inside-out, and provides us with an outstanding service. We consider them to be a part of our IS team.”

MGP implemented its first ERP system back in 2006. Peltzer, already a veteran MGP employee at the time, represented the Quality department in that project. Following the ERP implementation project Peltzer moved to the newly formed ERP department and assumed responsibility for the ERP system. Later, in 2010, MGP would unite the ERP and IT departments into the current Information Systems (IS) department.

Implementing SAP

By 2010, MGP’s original ERP system was showing its age. The highly customized implementation was not meeting the MGP’s requirements and the search for a new product began. After evaluating three ERP vendors, MGP chose SAP. “We wanted a standardized system that employed best practices and moved away from customization as much as possible,” says Peltzer.

SAP suggested MGP work with an implementation partner, which they started doing in late spring 2010. Early on, MGP decided they wanted the SAP landscape to be managed by an external service provider. “We have a very small IS team on site. We didn’t have anyone in our IS department with SAP backend experience. We felt that having our environment managed by an external SAP service provider, so that MGP enjoys an enterprise-class SAP managed environment, was the best solution for our company.”

The implementation partner recommended oXya as the provider of the managed SAP environment. MGP accepted the partner’s recommendation, and oXya has been servicing them ever since.

Today, across its corporation and production facilities, MGP is using a number of SAP modules including Financial Accounting and Controlling (FICO), Sales and Distribution, Production and Planning, Quality Management, and Plant Maintenance. At the Lawrenceburg facility MGP is also using Warehouse Management.

oXya—A Strategic Partner Since Day One

oXya helped MGP implement their initial SAP solution in November 2010, and have been supporting MGP with every implementation since then. In addition,



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About MGP Ingredients

Headquartered in Atchison, Kansas, MGP Ingredients is a leading supplier of distilled spirits including bourbon and rye whiskeys, gins, and vodkas. It is the largest U.S. supplier of specialty wheat proteins and starches for a wide range of food products. MGP is also a top producer of high-quality industrial alcohol for use in both food and non-food applications.

In business since 1941, MGP became a public company on NASDAQ in 1988. The company’s 300 employees are spread between its corporate offices and plant in Atchison, Kansas, and its Lawrenceburg, Indiana, distillery production facility. In addition, MGP has manufacturing agreements with partners in the U.S., to complement its own production capabilities. While the majority of its business is within the U.S. market, the company exports to Europe, Asia, and South America.

they provide MGP with all the back-end and Basis administration services.

Peltzer says that when MGP performs SAP upgrades, the oXya team, called 'Cloud Application Services Group', provides guidance and helps get them done in a timely and efficient manner. In addition, oXya provides guidance on service packs and works in conjunction with MGP's Application Management Services (AMS) team. "oXya is a strategic SAP partner and consultant, and takes part in any SAP project we undertake," she says.

Going Above and Beyond

In 2014 the company came under a new scope for tax audit, which was stricter than when MGP first implemented SAP. This meant increased internal audits, additional testing, and many questions and requests around change management, logging, and monitoring in regards to the SAP backend.

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“The oXya group provided tremendous help throughout that audit project, and worked on activities that were outside their day-to-day scope. Moreover, oXya performed a special auditing project as part of their 'all-inclusive' commitment,” explains Peltzer.

Peltzer remembers that this project included many calls with MGP's external auditors, with some phone sessions lasting hours. “The oXya team walked our auditors through the entire change management and monitoring process. They were very patient, and at the end of the audit provided new solutions for more complete documentation.”

“The oXya services group went above and beyond any normal expectations from a service provider, and they've done so multiple times. oXya is just incredible to work with,” concludes Peltzer.

Finding the Best Solution

Peltzer recalls another example of the oXya service group going above and beyond expectations. This had to do with an outside consultant hired by MGP to work on a special reporting requirement in the highly regulated alcohol industry. The consultant had both SAP expertise and knowledge of



alcohol regulations, and needed to gain access to the SAP system from an offsite location. After verifying with MGP that it was legitimate to grant him access, the oXya team volunteered to walk the consultant through the access process.

However, as it turned out, the consultant was using a system that wasn't compatible with MGP's VPN. "oXya did some research, and helped MGP upgrade to a better solution, which also provided access for the consultant. Once again this activity, which was outside the scope of daily services that oXya needed to provide, was covered by them as part of oXya's 'all-inclusive' commitment. MGP wasn't asked to pay anything for the extra work done by the oXya team," recalls Peltzer.

"Whenever we have something that's outside the norm, the oXya services group is very accommodating and helps us out, time and time again," says Peltzer.

Focus on Functionality

Between its two sites in Kansas and Indiana, MGP has around 250 SAP users, from office employees and the executive team to production line managers. "Our main focus in the last few years has been around fully utilizing the various functionality within the SAP modules we have, specifically for planning and scheduling," says Peltzer.

"In some cases, it means encouraging people to change their work processes. For example, a key planner is utilizing SAP functionality in forecast management and work production scheduling that feeds a daily report sent to key operations personnel."

To fully utilize the functionality offered by SAP, Peltzer and her team are going through each MGP department and each SAP module, making sure MGP employees use their SAP tools as much as possible.

At the same time, MGP is looking at future needs and is considering implementing the Supply Chain module and adding functionality for the corporate treasurer. Peltzer emphasizes that "when we get to that stage, we will work closely with oXya and our AMS team to set up a project and go through that project plan with all parties."

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Running No Matter What

Peltzer's SAP team holds a monthly conference call with oXya and the AMS team to review the past month. They look at any technical or functional issues and open tickets. oXya then presents a review of the past month's statistics around categories such as space usage, free space, downtime, and so forth.

"It's helpful to see what our landscapes look like, and whether oXya has any concerns regarding our SAP environment," says Peltzer. "oXya does an excellent job of maintaining our environment, keeping it up to date and patched, and ensuring that we're running, no matter what." And that's a tall order. MGP's manufacturing facilities run 24/7, including weekends and holidays. "We have very little room to be down," says Peltzer.

Familiarity and Openness

Peltzer explains that for daily, ongoing communications between MGP and the oXya services group, "We all share a common email address so anything going back and forth between MGP and oXya is visible to everyone. In addition, my internal SAP team members know everyone on the oXya team. We have no problem picking up the phone and directly calling the oXya team to discuss an issue. This familiarity, and direct and easy access to our oXya services group, allows for openness between the two parties. It has worked out very well. And above all, oXya has always been very, very responsive and timely."

Furthermore, Peltzer describes the oXya services group members as multifunctional and multi skilled. "The oXya team members back each other up. If you talk to one person about a specific issue, you can also talk with everyone else on the group. They keep each other abreast of what's going on with our environment. They have each been trained on multiple layers and facets of the SAP environment, and have lots of knowledge and experience to prevent issues from coming up, and quickly solve them if they do."

Daily Monitoring

oXya also provides MGP with 24/7 monitoring and log keeping. "If anything abnormal turns up, a table lock for instance, or if the oXya team sees a job fail, they notify us immediately via email, and we can also call them directly."

Peltzer's team can respond accordingly if there is something they need to do as a user. On the other hand, oXya may initiate a call to Peltzer's team if oXya notices something out of the ordinary on the environment's backend. In all of these cases, the oXya team will provide MGP with a recommendation, and ask for approval before moving forward. This reporting and approval mechanism is required since MGP has to show, from an audit standpoint, that there are no changes made without MGP's notification and approval.

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