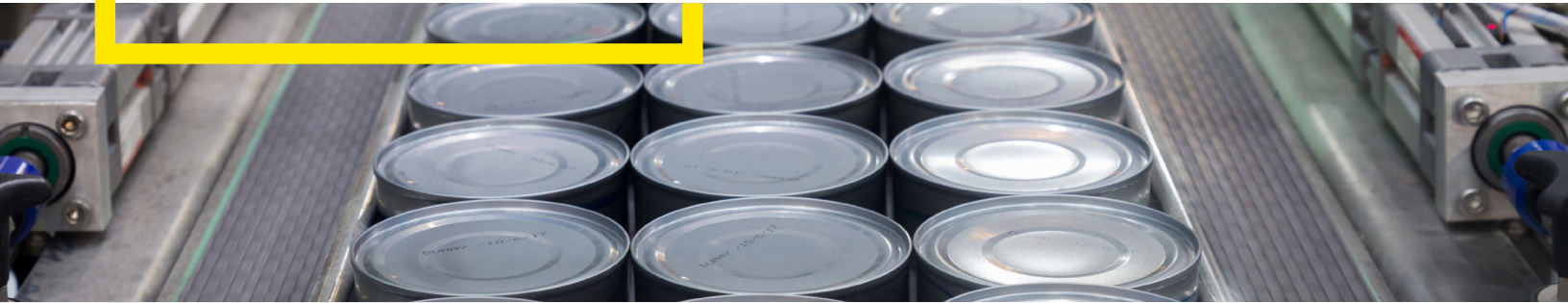


Mexico Food Brand Liberates Funds to Spice Up Global Expansion



Client Profile: Productos Chata is a consumer packaged goods brand and leading regional manufacturer of locally inspired foods based in Culiacán, Sinaloa in Mexico. In addition to its broad Mexican presence, the company's mastery of Sinaloan cuisine is enjoyed by an expanding number of consumers in the U.S., Canada, Central America, and parts of Europe and Asia.

Industry: Consumer Packaged Goods

Geography: Headquartered in Sinaloa, Mexico

Employees: 1,000

Supported Products/Applications:
SAP

"Once executive management saw the savings we were able to generate, they approved many projects that were previously on hold because of budgetary constraints."

Eddy Verdugo

Systems Director, Productos Chata

"We can now stay calm and continue to invest the annual maintenance savings — and the money previously designated for the SAP upgrade — into strategic initiatives like supporting global growth."

— Eddy Verdugo, Systems Director, Productos Chata

The flavors of traditional Mexican cuisine are packed into every Productos Chata recipe, an authenticity that has made the company's products a household staple for generations and a prime export to new, foreign markets. Current distribution covers all of Central and North America, including 70% of U.S. cities, with plans to begin exporting and establishing a direct distribution channel in Spain.

Systems Director Eddy Verdugo commented, "Our international growth is built on an SAP-based foundation, complemented with our ability to scale and manage the platform."

Modernized IT Infrastructure Sets the Table for Global Expansion

SAP is the heart of Productos Chata: Every facet of operation — factories, distribution centers, and stores — depends on the ERP system. "Any setbacks or downtime would bring 90% of the business to an immediate halt," emphasized Verdugo.

The systems director joined Productos Chata with a charter to maximize the contributions of IT in support of the company's strategic goals. He elaborated, "All my efforts are focused on making sure we have the right technologies in place to realize our business objectives and ensure that we maintain business continuity across the entire IT landscape."

Since joining Productos Chata, Verdugo has identified multiple opportunities to enhance the environment — projects that have subsequently enabled the company to confidently pursue global expansion. He explained, "When I arrived, the infrastructure was aging and somewhat fragile. Last year, the company had a system crash precisely because we could not handle the increasing workloads. On top of this, our disaster recovery protocols hadn't been fully established, so operations were heavily impacted and recovery took longer than it ideally should have done."

Under Verdugo's leadership, the IT team modernized its primary data center and updated the entire internal and external communication infrastructure. A technology-refresh program was implemented, and funds were allocated to enhance systems and databases. The company's security posture was also boosted to enhance the protection of personal and commercial information.

Benefits

- Upgraded infrastructure to facilitate global expansion:** Redirected SAP maintenance budget supports key IT projects, including data center modernization, security posture enhancement, and update of the data network.
- Control over S/4HANA migration:** Guaranteed support for current SAP version for next 15 years provides flexibility to decide if or when ERP system is upgraded.
- ERP platform and customizations included in annual maintenance contract:** Tailored extensions to SAP instance are now fully supported.

"Don't get stuck with the status quo: Don't close your eyes or fear making a change. Exploring the unknown led us to Rimini Street, and the whole company has benefited."

Eddy Verdugo
Systems Director, Productos Chata

For More Information

To learn more about Productos Chata or to read other client stories, visit www.riministreet.com/clients.

"We accomplished everything with the savings from switching away from SAP maintenance to an independent support provider," Verdugo proudly remarked.

Redirecting a Large Portion of Funds

Productos Chata has relied on SAP since the early 2000s, dedicating a significant amount of its IT budget to the vendor's annual maintenance fees. Verdugo noted, "We've paid a lot of money for SAP's support without necessarily taking advantage of it. Implementing a more cost-effective service that would enable us to redirect that portion of our funds made a lot of sense to us."

Further justifying the switch, Verdugo highlighted the complications of running an ERP system that has been heavily tailored to meet business needs. "Our instance of SAP has a lot of customizations that SAP deemed to be outside of the scope of their support agreement. This placed a large burden on our internal team," he shared. "Once we made the transition, everything was covered under a single contract."

Verdugo also found the ability to personally determine Productos Chata's future technology decisions to be a substantial motivation for partnering with an independent, third-party support provider. He explained, "The SAP platform has worked well for us for over 15 years; there is no need to change. However, SAP will shortly end support for this version and will require all clients to upgrade to S/4HANA. This is a migration that will demand multiple years of planning and millions of dollars."

With independent, third-party support, Productos Chata is under no pressure to perform the move. Instead, the company now has guaranteed, full-service support for its current system for at least 15 more years and complete autonomy over the scheduling of the upgrade. Verdugo enthused, "Rather than having it forced on us, being in control of the timing is significant. We can now stay calm and continue to invest the annual maintenance savings — and the money previously designated for the SAP upgrade — into strategic initiatives like supporting global growth."

"Once executive management saw the savings we were able to generate, they approved many projects that were previously on hold because of budgetary constraints. Without increasing our overall IT budget, we were suddenly able to get all these things done."

Rimini Street: A Proven Recipe for Success

Productos Chata carefully evaluated the independent support provider's qualifications. "We saw that the business is well established; this isn't an organization that's still trying to define its value proposition. Rimini Street is a very solid company with deep knowledge and personnel who are very qualified for this work," assured Verdugo.

Rimini Street's engagement process demonstrated the rigor of its services. Verdugo acknowledged, "Onboarding was very straightforward. The transfer of an entire application as complex as SAP to another support provider is not a trivial undertaking; the Rimini Street implementation strategy is very effective and efficient."

Summarizing the value of independent, third-party support, Verdugo observed, "Partnering with Rimini Street enabled us to invest the cost savings and focus resources on initiatives that have a direct business impact. With quality support and rigorous, well-established processes, as well as extensive expertise and experience, Rimini Street has proven to be a partner we can trust."

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