PANASONIC EUROPE

SAP® SOFTWARE HELPS HIGH TECH FIRM ENSURE COMPLIANCE AND LOWER RECYCLING COSTS

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Thomas Knopp, Environmental Project Manager, Panasonic Europe Ltd.

QUICK FACTS

Company
- Name: Panasonic Europe Ltd.
- Headquarters: Osaka, Japan (Panasonic Corporation)
- Industry: High tech – electronics manufacturing services (EMS) providers
- Products and services: Development and manufacture of electronic products for a wide range of consumer, business, and industrial needs
- Revenue: US$78.4 billion (Panasonic Corporation – as of March 31, 2009)
- Employees: 292,250 (Panasonic Corporation – as of March 31, 2009)
- Web site: www.panasonic.net
- Implementation partner: SAP® Consulting

Challenges and Opportunities
- Meet European regulatory requirements for package recycling and battery disposal
- Provide detailed, accurate information to 45 recycling partners and 17 countries in Europe
- Centralize recycling administrative tasks for cost savings and data accuracy

Objectives
- Install software to support recycling management
- Integrate software with the SAP ERP application for efficiency and compliance

SAP Solutions and Services
SAP Recycling Administration application

Implementation Highlights
- 17-country rollout
- Effective cost-to-benefit outcome – 5 consultant days for each country's rollout

Why SAP
- Integration with SAP ERP
- Single, centralized repository of data
- Flexibility and scalability to support multiple countries with changing compliance requirements

Benefits
- Lowered recycling expenditures
- Reduced full-time equivalents
- Simplified audit preparation and compliance process

Existing Environment
- SAP ERP
- SAP NetWeaver® technology platform
- SAP Supply Chain Management application

Third-Party Integration
- Database: Oracle
- Hardware: IBM
- Operating system: IBM AIX

Panasonic
ideas for life

A corporation that comprises 540 companies selling more than 15,000 different products uses a lot of packaging. Panasonic Corporation's subsidiary, Panasonic Europe Ltd., manages these materials across Europe in a sustainable fashion – things like plastic, corrugated board, foil, and paper, along with the batteries that power its devices.

The company uses the SAP® Recycling Administration application to help it comply with European Union packaging regulations. Panasonic Europe also relies on the software to meet regulations around Europe's Waste Electrical and Electronic Equipment (WEEE) directive, which requires detailed reporting on all of the devices and components it puts into circulation.

Panasonic Europe uses the SAP application to classify recyclable materials by type, weight, usage, destination, brand, and category. It tracks the quantity of products in circulation; calculates recycling fees for compliance agreements based on price lists, settlement costs, and other contractual conditions; and automatically generates recycling declarations. This helps the company to meet European regulations, provide detailed information to 45 recycling partners in 17 countries, and issue recycling declarations to local authorities in each of these countries. It also helps Panasonic Europe to save money.

"With SAP Recycling Administration, we've reduced recycling costs – thanks to more exact calculations of product net weight, which is the basis for recycling charges as per the WEEE directive," says Thomas Knopp, environmental project manager at Panasonic Europe.

Tight Integration with the SAP ERP Application

The company was previously performing the weight calculations for each product using Microsoft products, making it difficult to determine the correct fees. "The fees we have been paying were usually based on gross product weight, which included all the auxiliary components," explains Knopp. "But by leveraging the tight integration between the SAP ERP application and SAP Recycling Administration, we have been able to create material master fields for the components not relevant to the required calculation – products and components like AC adapters, remote controls, and cables," says Knopp, "That gave us a more accurate picture of the net weight."

The company also connected SAP Recycling Administration to SAP software for sales and distribution so invoicing reflected the recycling charges in more detail.

In addition to tight integration with SAP ERP, Panasonic chose SAP Recycling Administration to support countries with different and evolving compliance requirements and to gain a central data repository to address regulatory requirements.

The company worked with SAP Consulting to implement the application across Europe. Five consultant days were required for each country rollout.

More Efficiency – Smoother Audits

Panasonic Europe now works more efficiently in this area. "Previously,

POWERED BY
SAP NetWeaver®

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we had one full-time person in each country to this task," says Knopp. "With SAP Recycling Administration, we only need a half-time person per country to manage the recycling process – representing a 50% time savings."

Another benefit is improved data quality, which means smoother audits. "We are audited annually," Knopp says. "Once a year I produce reports for our key users and participate in a conference call with the users and auditors. Generating reports is now an easier process with SAP Recycling Administration."

"We aim to offer the most energy-efficient and greenest products in the marketplace, and we want to be number one in our sector. SAP software supports us in striving toward both goals at the same time."

Thomas Knopp, Environmental Project Manager, Panasonic Europe Ltd.

Shared Information, Comprehensive Reporting

Panasonic factories worldwide provide recycling information for each product's weight, packaging, and batteries. The European recycling team checks the data accuracy, maintains the article and the relevant packaging, and forwards the information to key users at business units across Europe. These users then share the data with the company's recycling partners and maintain the information for regulatory compliance and audits.

"We also use SAP Recycling Administration for reporting," Knopp says. "We report on quantity, cost, and data quality. Our IT department creates a number of standard reports; key users can also generate their own custom queries and analytics using the software."

As a next step, Panasonic Europe wants to couple SAP Recycling Administration with the SAP NetWeaver® Business Warehouse component. "SAP NetWeaver Business Warehouse is our standard reporting tool," Knopp says. "This will enlarge our reporting capacity and will make processes more efficient."

SAP Solutions for Sustainability

The company is also thinking about integrating SAP Recycling Administration with the SAP Product Lifecycle Management application. "This would allow us to evaluate packaging materials at an earlier stage in product development," says Knopp. "It will help us drive down costs and become more sustainable by enabling us to make smart design choices that lower recycling charges at the end of each product's lifecycle."

Additionally, Panasonic uses the SAP Advanced Planning & Optimization (SAP APO) component, which is part of the SAP Supply Chain Management application, to support environmentally sound practices. "SAP APO helps us plan and design our supply chains so we can consolidate orders and optimize shipments to reduce CO_2 emissions and energy consumption," Knopp says.

For a company committed to sustainability, it is important to have the right IT structures in place. Says Knopp in conclusion, "We aim to offer the most energy-efficient and greenest products in the marketplace, and we want to be number one in our sector. SAP software supports us in striving toward both goals at the same time."

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