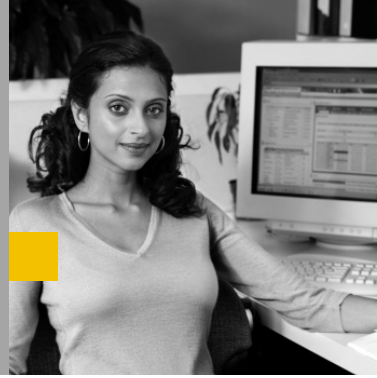


SAP Customer Success Story
Consumer Products, Mill Products – Textiles



“We were looking for an ERP system that would, apart from the high-level integration of production control, also take the burden of maintenance and further development off our shoulders.”

Marton József, CEO, Glovita Kesztyű Rt.

AT A GLANCE

Company

- Name: Glovita Kesztyű Rt.
- Location: Győr, Hungary
- Industries: Consumer products, mill products – textiles
- Products and services: Labor safety gloves
- Revenue: 1 billion Hungarian forints (€4 million)
- Employees: 200
- Web site: www.glovita-gloves.hu
- Partner: Synergon Informatika Nyrt.

Challenges and Opportunities

- Nonintegrated systems for accounting, financial, and production control
- Custom solutions that were difficult to maintain and upgrade

Objectives

- Improve efficiency by upgrading to an enterprise resource planning (ERP) solution
- Keep costs down by maintaining existing production enhancements

SAP® Solution and Services

SAP® All-in-One solution, including software for finance, accounting, controlling, logistics, production control, and HR

Implementation Highlights

- Project covered not only software implementation but also consulting, project management, training, and support
- Company secured EU aid for the project

Why SAP

The solution provides all the functionality required and integrates with existing solutions.

Benefits

- Lower upgrade costs through integration with legacy system
- Improved performance with uniform, good-quality data
- Improved visibility of production and costs through integration of processes
- Reduced effort to prepare quarterly reports with more current, accessible information about business processes

Existing Environment

Separate accounting and financial software, custom-developed production control

Third-Party Integration

- Database: Microsoft SQL Server 2000
- Operating system: Microsoft Windows

GLOVITA KESZTYŰ

Manufacturer Improves Process Integration and Visibility with the SAP® All-in-One Solution

In the mid-1980s, Győr, Hungary–based Glovita Kesztyű Rt. (Glovita) was using a system consisting of accounting, financial, and production control modules based on personal computers in a network. However, the elements of the system were functioning separately. Moreover, the production control system was custom developed, and technological upgrading as well as functional enhancements were becoming more complicated and costly.

A Culture of Development

Glovita produces labor safety gloves. While the company has recorded several owner and name changes since the founding of its legal predecessor in 1929, it has always emphasized technological development. At the end of the 1970s, state-of-the-art Japanese knitting machines were put into operation, soon increasing production eightfold and – at the same time – attaining a 40% savings in material. Glovita has its own exporting rights as central Europe’s biggest glove factory. By 1984, it produced 10 million pairs of gloves a year, exporting half of them, mainly to western Europe.

At the same time, the company replaced its mainframe computer IT system with a production control system based on personal computers in a network, which was capable of tracking technological processes from order to invoicing. Glovita became a Hungarian-German-French–owned joint-stock company at the beginning of the 1990s. Today it employs 200 people at its two sites. As much as 80% of its products are sold abroad, with yearly revenue over 1 billion Hungarian forints (€4 million).

A New Solution with EU Aid

Among the possible choices for an enterprise resource planning solution, the SAP® All-in-One solution promised to deliver all the features Glovita was looking for. These included the ability to integrate all components for production control, ensure data consistency, and provide transparency of business processes

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Marton József, CEO, Glovita Kesztyű Rt.

throughout the company. As the company expects the new solution to reduce costs, another important requirement was that implementation entail the fewest possible changes to production control processes, which had been fine-tuned through two decades of computer support.

In accordance with the size of the investment, in June 2004 Glovita invited proposals for public procurement. SAP Hungary's sales partner, Synergon Informatika Nyrt., won the competition with a proposal covering not only software implementation but also consulting, project management, training, and support. Subsequently, the company applied for and was granted EU aid for the project through application 4.1.1 of the Economic Competitiveness Operational Programme. This took place in the summer of 2005, and thus implementation commenced in the last quarter of that year.

Increased Transparency and Performance

The finance, accounting, controlling, logistics, production control, and HR software in the solution was implemented at Glovita in the course of the project, which entered its closing, data population phase in March 2006.

According to Marton József, CEO at Glovita, “Besides retaining our existing processes, SAP All-in-One mapped our legacy system, and at the same time provides much more detailed data in a unified format and consistently good quality, accompanied by increased performance.” He continued summarizing the initial experiences: “From now on, data is only entered into the system once since SAP All-in-One manages it through business processes uniformly and consistently; it is always available in one repository, updated and error-free.”

A Look Toward the Future

József adds this about the solution: “By implementing SAP software, we will have access to more up-to-date information about the current status of our business processes. This way, the preparation of quarterly reports sent to the foreign owners will

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require fewer resources. More importantly, SAP All-in-One will speed up decision processes, which may help Glovita a lot in becoming more efficient on the level of both daily activities and longer-term strategic planning.”