

SAP Customer Success Story
Financial Service Providers – Banking and Insurance Products



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Klaus Strumberger, CIO, MLP AG

AT A GLANCE

Company

- Name: MLP AG
- Location: Wiesloch, Germany
- Industry: Financial service providers
- Products and services: Banking and insurance products
- Revenue: €588 million (2006)
- Employees: 1,500, plus 2,600 self-employed financial consultants
- Web site: www.mlp.de
- Partner: SAP® Consulting

Challenges and Opportunities

- Fast-changing business environment
- Decentralized organization with self-employed consultants spread around the country

Objectives

- Simplify IT landscape
- Significantly reduce total cost of ownership
- Build an adaptable and flexible IT environment

SAP Solutions and Services

- SAP ERP application
- SAP Supplier Relationship Management (SAP SRM) application

Implementation Highlights

- Upgraded to SAP ERP in only 3 months
- Migrated SAP SRM to the client running SAP ERP in only 2 months
- Minimized downtime and avoided business disruptions

Why SAP

- Long-term and successful relationship
- New innovations delivered with the latest SAP ERP release
- Professional expertise delivered by SAP Consulting

Benefits

- New, flexible IT platform ready to meet future business requirements
- Consolidation of SAP software environment
- Significant reduction of operational and maintenance costs
- Elimination of data inconsistencies and errors, rendering unnecessary the manual effort required to correct them

Existing Environment

SAP software

Third-Party Integration

- Database: Oracle
- Hardware: HP Itanium

MLP

Tangible Competitive Advantage with SAP® ERP

MLP AG, headquartered in Wiesloch, Germany, is the leading European financial advisory company for academics and other discerning customers. Its 2,600 self-employed consultants and 1,500 employees manage approximately 700,000 client accounts. The company offers a wide range of banking and insurance products from numerous vendors, and each portfolio of products and services is tailored to the specific needs of the individual client. MLP's individualized, high-quality service is the foundation of its success and has given MLP a unique competitive edge.

Ensuring Compliance with a Flexible Platform

With legal regulations and the need for specific financial data constantly evolving, MLP's processes had to adapt accordingly while continuing to provide timely and efficient consultancy services for its clients. To manage it, MLP required an optimized support system and a flexible IT platform.

Easy Upgrade to the Latest Release of SAP® ERP in Less Than Three Months

Looking back on a long and successful partnership with SAP, MLP decided in early 2006 to upgrade to the SAP® ERP application. One of the key reasons for the upgrade was MLP's need to increase the flexibility of its IT platform. The new development environment provided by SAP ERP makes software configuration quicker and simpler. Klaus Strumberger, CIO of MLP, says, “SAP simply understands our need for a flexible IT platform in order to deal with our fast-changing market requirements and our business model.”

The upgrade of MLP's three separate SAP software installations took only three months to complete, and the final go-live of the new production system took place over a weekend to ensure there were no disruptions to business. Another major advantage: MLP was able to run the SAP ERP application on its existing hardware.

Reducing Total Cost of Ownership with One Client Deployment

The MLP organization runs its business according to a decentralized model. In order to capitalize on the benefits of centralized procurement and to minimize organizational overhead costs, MLP implemented the self-service procurement functionality of

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Udo Lorczyk, Head of Intranet and Administration Systems, MLP AG

the SAP Supplier Relationship Management (SAP SRM) application. With this Web-based solution, MLP employees and self-employed financial consultants can directly order fact sheets and brochures as well as office supplies. The procurement process is streamlined, and users benefit from an intuitive graphical user interface, which significantly increases their productivity.

With the upgrade to SAP ERP, MLP was able to easily migrate SAP SRM to the client running the SAP ERP software. Both applications now run within one single client. This meant that the hardware on which SAP SRM formerly resided was no longer required. Its removal led to a significant decrease in hosting, maintenance, and operational expenses.

Furthermore, MLP was able to eliminate parts of the data replication between SAP SRM and SAP ERP that were necessary prior to the upgrade. Replication of data from the SAP ERP Human Capital Management solution is also unnecessary in the new one-client scenario. Data errors and inconsistencies can no longer occur. The manual effort that used to be required to correct errors and inconsistencies has been dramatically reduced.

As a result, the total cost of ownership has decreased significantly. “Our investment will be amortized within less than six months,” says Udo Lorczyk, head of intranet and administration systems at MLP AG.

Major Contribution of SAP Consulting

In only eight weeks the SAP SRM application was migrated to the client running the SAP ERP software by SAP Consulting. “The support from SAP Consulting was outstanding – together we managed to finish below budget and ahead of schedule,” says Lorczyk.

The end users of the self-service procurement application never experienced disruption at any time during the system migration project. “They probably do not know it has happened until now,” remarks Steffen Braun, the technical lead in the migration project from MLP for SAP Consulting.

Future Plans

Given the dynamic and constantly changing business environment in which MLP operates, providing information and training to MLP's self-employed financial consultants is essential. To achieve this goal, the company runs its own corporate university, which

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every consultant attends several times each year. Delivered as part of SAP ERP, an e-learning solution will enable MLP to start offering Web-based training programs. This will help save significant time and costs associated with future training.

MLP is also implementing the latest version of the SAP Customer Relationship Management application, which will replace a solution it developed in-house. This move is in line with MLP's strategy to streamline and standardize its key business processes.