



Panasonic

Panasonic Automotive Systems: Streamlining Processes and Operations and Reducing Costs with SAP® ERP

A manufacturer of electronic automotive components, Panasonic Automotive Systems Czech s.r.o. wanted to **consolidate and streamline enterprise processes** with a single software solution. The company found what it was looking for in the SAP® ERP application, enabling it to speed up material handling, improve data security and compliance, and reduce IT maintenance costs.

Executive overview

Company

Panasonic Automotive Systems Czech s.r.o.

Location

Pardubice, Czech Republic

Industry

Automotive – electronics supplier

Products and Services

Automotive audio, multimedia, navigation, and other electronic components

Employees

1,189

Revenue

CZK 5.25 billion
(US\$265 million)

Web Site

www.panasonic.cz

Partner

Atos Origin Czech Republic



BUSINESS TRANSFORMATION

The company's top objectives:

- Improve warehouse operations to reduce material handling time and stock space
- Consolidate accounting and enterprise resource planning (ERP) processes
- Enable data security and compliance with internal policies and industry and government regulations

The resolution:

- Deployed sophisticated warehouse and inventory management functionality
- Replaced 5 systems and integrated processes with the SAP® ERP application
- Developed and followed a project quality plan and monitored project status with weekly meetings

The key benefits:

- Improved operations by integrating enterprise processes
- Streamlined warehouse processes and increased the speed of materials movement
- Cut IT maintenance costs by replacing 5 existing ERP systems

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“We improved processes, increased paperless handling, and reduced labeling errors and manual work. At the same time, we cut our ERP maintenance costs 50% and got fast ROI and time to value.”

Martin Sitanc, Project Manager, Panasonic Automotive Systems Czech s.r.o.

TOP BENEFITS ACHIEVED

20%

Increase in warehouse utilization rate

50%

Reduction in IT cost to maintain ERP solution

1

Unified ERP application

[See more metrics](#) ►

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Streamlining and consolidating enterprise processes

Panasonic Automotive Systems Czech s.r.o., a gold winner of the 2011 Central and Eastern Europe (CEE) SAP Quality Award, makes components – audio, multimedia, navigation, and other electronics – for the automobile industry. The company employs 1,189 people at its main location in Pardubice, Czech Republic, and has operations from Europe to South America.

Finding that its existing enterprise resource planning (ERP) systems could no longer support operational processes effectively, Panasonic Automotive Systems recognized the need for a new solution. But was there a single application that could help the company meet multiple technology challenges, optimize insights, and enable excellence?

The company wanted to integrate processes with a unified ERP application. “We were covering processes from warehousing to accounting with five different systems,” says Martin Sitanc, project manager at Panasonic Automotive Systems. “This meant data errors, duplicate efforts, lost efficiency, and higher IT costs.” The company also needed to improve warehouse operations; its existing system



2011

Gold winner of CEE
SAP Quality Award

was too rigid and inefficient, and provided poor support for wireless handheld devices.

Panasonic Automotive Systems found its answer in the SAP ERP application. With it, the company could optimize warehouse and inventory operations, streamline material handling, reduce stock space and inventory value, and support information security and compliance with internal policies and industry and government regulations.



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Driving a high-quality implementation project

Panasonic Automotive Systems replaced its five legacy systems with the SAP ERP application and integrated processes including production planning, warehouse operations, production, asset maintenance, accounting and controlling, engineering, quality management, and material traceability. The company deployed functionality for warehouse management, box and pallet control, consignment, and vendor-managed inventory, and incorporated information security and compliance into enterprise processes. With the help of its partner, Atos Origin Czech Republic, the company completed the project in 17 months and rolled out SAP ERP to more than 300 business users.

From the outset, Panasonic Automotive Systems drove for a high-quality implementation. “We monitored the project from feasibility to going live and held weekly review meetings to keep stakeholders up to speed on timing, budget, and scope,” says Martin Sitanc. The company developed and followed a quality plan, contracted an external party to provide project quality assurance, and performed audits before going live and after implementation.

Participation from key people throughout the organization was crucial to the project’s success. Top executives had a high level of interest and input. Dedicated managers lent their business expertise, and skilled key users prepared manuals and led practice and testing sessions for end users, helping ensure high adoption and improving employee efficiency and productivity.



300

Business users supported



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Optimizing operations and reducing costs

Panasonic Automotive Systems consolidated and integrated enterprise processes and enabled data and process security initiatives, including segregation of duties and compliance with Sarbanes-Oxley regulations. The company streamlined warehouse operations and increased the speed of material movement. “We cut the time to move materials from stock to the kanban system from 3 hours to 30 minutes. And we cut the time from the kanban system to the production line

from 30 minutes to 5 minutes,” says Martin Sitanc. “That’s a big boost in productivity and efficiency.”

With SAP ERP, the company increased warehouse utilization rates by 20%. “We improved processes, increased paperless handling, and reduced labeling errors and manual work,” says Martin Sitanc. “At the same time, we cut our ERP maintenance costs 50% and got fast ROI and time to value.”

KEY BENEFITS

20%

Increase in warehouse utilization rate

83%

Reduction in material movement time

50%

Reduction in IT cost to maintain ERP solution

1

Unified ERP application



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Planning the route ahead

Panasonic Automotive Systems has already begun to expand its use of the SAP ERP application and is in the process of deploying additional business intelligence functionality. In addition, the company is looking to add the SAP Advanced Planning & Optimization component to further improve inventory management.

Panasonic Automotive Systems plans to implement functionality to support automotive industry standards for electronic data interchange. To facilitate operations in Germany, the company will also support standards set by the German Association of the Automotive Industry. And a feasibility study for expanding the use of the SAP ERP application to other divisions of the company is in the works.

