

SAP Customer Success Story
Wholesale Distribution – Convenience retailing



“Our pickers don’t have to run around with paper lists any more, so they can pick more quickly and efficiently.”

Wolfgang Scheid, Managing Director, Information Systems,
Lekkerland GmbH & Co. KG

AT A GLANCE

Company

- Name: Lekkerland GmbH & Co. KG
- Location: Frechen, Germany
- Industry: Wholesale distribution
- Products and services: Convenience retailing
- Revenue: €9.1 billion
- Employees: 7,500
- Web site: www.lekkerland.com
- Implementation partners: itelligence AG; ComSol AG

Challenges and Opportunities

- Standardize IT structures
- Integrate logistics processes
- Increase transparency of data

Objective

Connect voice-operated picking system with warehouse management software

SAP® Solution and Services

mySAP™ Supply Chain Management application

Implementation Highlight

5-month implementation

Why SAP

- Tight integration with the existing SAP® applications, creating a homogeneous system infrastructure
- No need for numerous interfaces between the warehouse, vehicle fleet, and customers

Benefits

- End-to-end logistic processes and an end-to-end document flow
- Optimized lead times in the warehouse
- Service levels of almost 99% and speedy deliveries
- Ability to easily handle a large volume of data
- Transparent data
- More efficient picking

Existing Environment

- mySAP ERP application
- mySAP Customer Relationship Management application
- SAP NetWeaver® Business Intelligence component

Third-Party Integration

- Hardware: HP Itanium 64
- Operating system: HP-UX 23i

LEKKERLAND

Wholesale Distributor Turns to SAP® Software to Manage a Complex Logistics Chain

“The maintenance contract was due to expire for our old warehouse system,” says Wolfgang Scheid, managing director of information systems at Lekkerland GmbH & Co. KG. “We wanted to standardize our IT structures with new warehouse management software, integrate our logistic processes, and make our data more transparent.” The company opted for the mySAP™ Supply Chain Management (mySAP SCM) application for several reasons: First, the standard software’s logistic execution functionality met most of Lekkerland’s needs. Second, the company was already using SAP® applications in many other areas, and by integrating the new software to replace its old warehouse management system, Lekkerland would be able to reduce the number of interfaces between its warehouse, vehicle fleet, and customers. Another major reason: all warehouse processes from goods receipt to delivery could be processed without using paper.

Headquartered in Frechen, Germany, Lekkerland is a full-service partner for sales channels in the convenience sector, operating throughout 12 European countries. The €9.1 billion wholesale company provides supplies to some 132,000 points of sale that include kiosks, minimarts in gas stations, specialized tobacco shops, and grocery stores.

Around 1.5 Million Items Per Day

Lekkerland's product range comprises more than 45,000 different items and includes tobacco, candy, drinks, snacks, phone cards, and so on. Around 1.5 million items are ordered on average each day in Germany alone, creating a huge volume of data. In order to deliver the products to the vast number of locations – at all hours of the day – highly efficient logistics are essential. To do this, Lekkerland has to manage 18 storage facilities for food, a

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fleet of 600 trucks, light commercial vehicles, and refrigeration vehicles. Efficient warehouse management is just as important. With the SAP software now in place, Lekkerland consistently achieves service levels of almost 99%, ensuring timely deliveries to its German customers (within 24 hours).

Lekkerland kicked off the pilot project with the help of consulting partners itelligence AG and ComSol AG. The implementation team managed to replace the previous warehouse management system at the Lohfelden location in just five months. By mid-2007, the company will have the software rolled out in 17 additional German locations. Also targeted for rollout: Switzerland and Austria.

Voice-Operated Picking

The SAP warehouse management software runs on central servers in Frechen and is easily accessed by users throughout the company. In addition, time-critical applications such as Pick-by-Voice – a voice-operated system – are integrated with the SAP software, enabling employees to work far more efficiently. The Lekkerland pickers simply put on a headset and speak through a microphone to input data. “They don't have to run around with paper lists any more,” says Scheid. Today, users can pick up to six orders simultaneously using the voice-operated system.

All Expectations Met – More to Come

The new software has fully met Lekkerland's expectations. “We can quickly meet customers' specific requirements with mySAP Supply Chain Management. We have optimized our lead times in the warehouse and are benefiting from end-to-end logistics processes,” says Scheid. In addition, Lekkerland now has the tools to manage the huge volume of data. An almost paperless process chain and an end-to-end document flow ensure transparent data and simplified stock-keeping processes, for example.

Lekkerland continues on the path of change and is working to more tightly integrate its warehouse, vehicle fleet, and customers. The company also plans to introduce bar-code and RFID technology to areas in addition to goods receipt to eliminate even more paper-based processes. “We want to run all our supply chain processes without documents,” says Scheid. “And we want to integrate our customers and suppliers in this process chain later on.” Also on the radar: management reporting using the SAP NetWeaver® Business Intelligence component.