



SAP BUSINESS TRANSFORMATION STUDY

AT A GLANCE

Industry	Industrial machinery and components – semiconductor manufacturing equipment
Revenue	US\$281.8 million
Employees	627 worldwide
Location	Fremont, California
Web Site	www.mattson.com
SAP® Solution and Services	SAP® ERP application

Mattson Technology, Inc., is a leading global supplier of the equipment used for the fabrication of integrated circuits in semiconductor wafer processing. Mattson's manufacturing equipment uses innovative technology to deliver advanced processing capabilities and high productivity for the fabrication of current- and next-generation integrated circuits.

Key Challenges

- Lack of a single, transaction-based system
- Lack of an integrated format for data maintenance
- Disparate business practices across regions
- Duplication of functions at 2 locations, especially in sales and service
- Reliance on obsolete software to support most manufacturing operations

Why SAP Was Selected

- Leadership in the semiconductor equipment manufacturing industry
- Support for industry best practices
- Low-risk solution from established company with clear product road map
- Low total cost of ownership
- Foundation to support growth

Implementation Best Practices

- Strong blueprinting, validating, and testing processes
- Minimal customization of software
- Ability to leverage SAP® industry best practices offerings
- Dedicated team including process owners
- High-performance, low-cost hardware platform running Linux 2.6 and MaxDB 7.5.0

Low Total Cost of Ownership

- Reduction of IT costs as a percentage of revenue by 0.8%
- Consolidation of 2 disparate enterprise resource planning systems
- Simplification of IT infrastructure
- Single, global instance of SAP software
- Rapid on-budget implementation

Financial and Strategic Benefits

- Facilitated the integration of 2 companies
- Integrated customer data for support call-center agents
- Increased profitability through improved controls associated with spare-parts ordering
- Enhanced customer satisfaction through streamlined quotation process
- Reduced time to generate customer quote from weeks to 30 minutes
- Provided timely access to operational data

Operational Benefits

Key Performance Indicator (2005–2006)	Impact
Revenue increase (service and spares)	+US\$10 million year over year
Double shipping of spare parts	-100%
Production planning productivity	+20%
Direct procurement productivity	+50%





“SAP offers no limits to its platform relative to Mattson’s business and size.”

Robert MacKnight
President and Chief Operating Officer
Mattson Technology, Inc.

“The SAP ERP application enabled us to run the business with data-driven metrics versus notions.”

Frank Kohoutek
Vice President, Global Operations
Mattson Technology, Inc.

Search for a Common Practice

Mattson Technology, Inc., is one of the world’s leading suppliers of semiconductor wafer processing equipment for integrated circuits. As a rapidly growing global business, Mattson faced the challenge of operating two separate manufacturing sites – one in Fremont, California, and the other in Dornstadt, Germany – as well as multiple sales and service locations around the world. Mattson’s manufacturing, sales, and service processes had multiple touch points across numerous organizational units, making daily business practices inefficient. Process owners lacked timely access to important operational data and, as a result, had limited insight into operational performance or costs.

With Mattson’s comprehensive product offering, manually configuring its products to specific customer requirements was both lengthy and cumbersome. Mattson envisioned having its material requirements planning (MRP) more tightly integrated with sales planning. Alignment of these processes would minimize transaction time and allow Mattson to update its plans quickly as customer demands changed.

In addition – because necessary customer data was stored in different locations and therefore not easily accessible – after-sales support was challenging. Since Mattson was experiencing rapid growth, streamlined processes and a single transaction-based system were critical to the company’s future.

A Business Transformed

Mattson needed a software solution to support and transform its daily operations as well as grow its business in the long term. After reviewing several software vendors and evaluating their products, Mattson selected the SAP® ERP application based upon SAP’s leadership in software for the semiconductor equipment industry. With a common user interface and standardized format for data, employees now spend their time analyzing data rather than searching for data and validating it.

Mattson has improved customer satisfaction by using SAP variant configurator functionality. Within minutes, the sales team can easily customize a Mattson tool to best meet customer requirements. MRP is now driven by the company’s sales operation, and this provides higher accuracy and greater manufacturing efficiency. The user interface is flexible and easy to use and can be configured to accommodate Mattson’s business processes as they change. Speed of production innovation has also improved. Mattson now has the capability to buy engineering materials through MRP instead of through purchase requisitions.

In addition, the spare parts and services business has been transformed into a customer-driven support center providing 24x7 access to Mattson’s worldwide customer base. Service revenue has increased dramatically through improved warranty tracking and the use of controls that restrict unauthorized spare-parts purchases.

Streamlined Focus

With an effective solution in place, Mattson now looks toward the future with initiatives to use additional functionality and build on its foundation of SAP software. The future includes plans to improve reporting functions using the SAP NetWeaver® Business Intelligence component – while keeping the front-end focus on customer relationship management. Mattson now has the data management capabilities to address customer requirements more quickly and efficiently and reinforce its position as the vendor of choice in the industry.