

SAP BUSINESS TRANSFORMATION STUDY
AT A GLANCE

Industry	Manufacturing
Revenue	US\$350 million
Employees	2,300
Location	Schofield, Wisconsin
Web Site	www.greenheck.com
SAP® Solutions & Services	SAP for Industrial Machinery & Components solutions; SAP NetWeaver™ platform
SAP® Software Reseller	itelligence

Greenheck is the worldwide leader in the manufacture of quality air movement and control equipment. Its products are used in commercial, institutional, and industrial buildings for everything from comfort ventilation to manufacturing processes. The company maintains 14 manufacturing facilities across the United States, as well as one in China, and a dozen distribution centers in the United States, Dubai, Shanghai, and Mexico.

Key Challenges

- Legacy system couldn't support growth
- Inflexible and inefficient IT infrastructure
- Limited ability to manage work across multiple manufacturing locations
- Need to manage complex product configuration information
- Proliferation of informal workaround processes and systems

Why SAP Was Selected

- Integrated, industry-focused solution
- Support for complex manufacturing
- Robust software for configuring product variants
- Flexibility to meet future needs

Implementation Best Practices

- Focus on organizational change management and training
- Solid team of implementation partner and in-house experts
- Business intelligence tools to import existing reports to the new environment
- SAP NetWeaver Exchange Infrastructure component to connect the sales channel to the rest of the business
- High-performance, low-cost hardware*

Low Total Cost of Ownership

- Minimal disruption to business operations during three successful go-lives
- Incorporation of lessons learned using the ASAP methodology
- Use of ready-to-go templates to accelerate future rollouts
- Well-trained core team and superusers

Financial and Strategic Benefits

- Improved visibility into the business with better and more timely access to information
- Streamlined production processes
- Support for significant business growth with quick and easy integration of acquired companies
- Better coordination of work across multiple plants
- Growth without additional headcount due to increased efficiency

Operational Benefits

Key Performance Indicator	Impact
Factory schedule attainment	+10%
On-time shipping	+15%
Distribution productivity	+15% in the shop, +20% in the office
Accounts receivable productivity	+17%
Accounts payable productivity	+16%
Purchasing productivity	+36%
Output of air-handling equipment	+18% without increasing the number of shop employees

* Application servers: HP DL 380's running on Intel® Xeon® processors



“The selection process was very rigorous. We used a formal approach of weighting and scoring the requirements for each of the potential solutions, added things up, and SAP was the leader.”

Don Brekke, Vice President of Information Technology, Greenheck

“The openness of the SAP NetWeaver technology platform ensures that our systems will support our international expansion well into the future.”

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The Need: An IT Platform to Support Growth

Over the past few years, Greenheck, a leading manufacturer of air movement and control equipment, has grown significantly through aggregate product offerings, acquisitions, and international expansion, including the opening of a plant in China. As a result, the company’s two-decade-old core systems were strained, and the company’s IT group was struggling to keep up. What’s more, legacy systems provided little or no connection across plants, making it difficult to coordinate work across multiple sites. And they were clearly not ready to support Greenheck’s ongoing growth strategy.

Greenheck selected the SAP for Industrial Machinery and Components (SAP for IM&C) solution portfolio running on HP servers because the software provided the range of integrated tools needed to support the entire business. Greenheck also felt that SAP® software for configuring product variants could manage the information used in producing Greenheck’s complex engineered-to-order and dimensional products – a key point for enabling the company’s sales force of independent businesses. Looking ahead, Greenheck determined that the SAP software could scale and adapt to support its expanding business processes.

Smooth Implementation, Improved Visibility

Greenheck has implemented SAP for IM&C solutions at several sites with minimal disruption to the business and is now executing a three-year plan for putting the remainder of the business on the software. Instead of coding its existing key reports directly into its enterprise resource planning (ERP) system, Greenheck used the SAP NetWeaver® Business Intelligence (SAP NetWeaver BI) component to deliver business-critical information and reports to company management and employees, saving time and effort. The company also drew on the SAP NetWeaver Exchange Infrastructure (SAP NetWeaver XI)

component to integrate the proprietary product-configuration tool used by its sales force with the SAP variant configurator software and the manufacturing process.

With SAP for IM&C, Greenheck decision makers have a better view of the business, from production scheduling to inventory management, shipping, and sales. With SAP NetWeaver BI, they can drill down into information in key areas, such as order booking, shipments, on-time shipping, schedule attainment, and production planning. And because SAP for IM&C solutions support multiple sites and global operations, the company is better able to manage interplant transactions and operations and ultimately balance and optimize work across its plants.

Supporting Growth and Continuous Improvement

Above all, SAP software has kept pace with – and helped enable – the company’s significant growth. “When we decided to go with SAP, we were at about \$200 million in sales,” says Don Brekke, vice president of information technology at Greenheck. “We’re now at more than \$350 million.” The flexibility of SAP solutions has enabled a quick and easy integration of acquired companies onto the SAP technology platform.

In the future, Greenheck plans to use SAP NetWeaver XI to tie key suppliers into its processes and to support closer collaboration with its upstream partners. It also intends to draw on the additional functionality provided by its SAP software, such as strategic enterprise management, product life-cycle management, and customer relationship management.

Throughout it all, says Brekke, Greenheck will keep using the software to get better and better. “We can now go into another wave of improvement opportunities to streamline, reduce the inventories, improve accuracy, eliminate stock outs, and eliminate missed shipments,” he says. “It all sits in front of us with the SAP software in place.”