



PROCTER & GAMBLE

FLEXIBLE BILLING SOFTWARE FOR RECYCLING MANAGEMENT

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Dietmar Giljohann, REA* Systems Manager,
Procter & Gamble

QUICK FACTS

Company

- Name: Procter & Gamble
- Location: Schwalbach am Taunus, Germany
- Industry: Consumer products
- Products and services: Hair care and beauty products, baby products, health-care, hygiene products, textile and household cleaning products, pet food, snacks, Gillette brands
- Sales revenue: U.S.\$76.5 billion (2006/07)
- Employees: 138,000 worldwide
- Web site: www.pg.com
- Implementation partners: SAP Consulting*, L&T Infotech

Challenges and Opportunities

- To fully comply with the statutory requirements set out in the European Directive on Packaging and Packaging Waste and in the German Electrical and Electronic Equipment Act (ElektroG), which is based on the EU directive WEEE (Waste Electrical and Electronic Equipment)
- Full integration in SAP ERP

Objectives

- Intelligent and flexible solution for recycling management
- Easy compliance with the packaging and WEEE legislation
- Long-term investment security

SAP® Solution and services

SAP Recycling Administration

Implementation Highlights

- Speedy implementation without interrupting production
- Excellent cost/benefit ratio

Benefits

- Reliable tracking of the quantity flows of packaging, products and devices, and batteries in circulation
- Classification of packaging and equipment in accordance with country-specific requirements
- Increased data quality
- Extensive reporting support
- Central storage of master data

Why SAP

- Integration in SAP landscape
- Strategic consulting

Existing Environment

- SAP ERP
- Hardware: Hewlett Packard
- Operating system: HP-UX

* Since January 1, 2005, SAP Deutschland AG & Co. KG and SAP Systems Integration AG have been working together more closely. Their joint service portfolio, SAP Consulting, offers customers an even more extensive range of business and technical consulting services.



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When Procter & Gamble merged in 2005 with the Gillette Group, the expanded consumer products company found itself with a pressing need for a centralized system to manage electrical and electronic product recycling. Such a system would have to handle a huge quantity of data and meet the requirements of diverse regulatory agencies. The answer for P&G was the SAP® Recycling Administration package, which takes a standardized approach to recycling management but includes flexible billing.

Procter & Gamble (P&G), based in Cincinnati, Ohio, is a global player that distributes around 300 high-quality brands in more than 160 countries worldwide and recorded sales of U.S.\$76.5 billion in 2006/2007. Three billion consumers around the world use P&G brands every day. Whether they are putting Pampers diapers on their babies, washing their hair with Wella shampoo, or taking Vicks NyQuil for cold symptoms, Procter & Gamble is the name on the product packaging.

The group – founded in 1837 by a candle maker from England and a soap maker from Ireland – is one of the world's leading consumer products companies. P&G has a payroll of 138,000 in close to 80 countries. It started its German operation in 1960 and employs 17,000 people there. This makes Germany one of Procter & Gamble's biggest subsidiaries outside the United States.

New brands create new challenges

In 2005, P&G merged with the Gillette Group, adding brands such as Gillette, Braun, Duracell, and Oral-B to its portfolio of electrical and electronic products. This resulted in new areas of activity for Procter & Gamble. Their integration made it necessary to introduce an intelligent and flexible system of billing software for recycling management. In addition to handling packaging fees, the system also bills battery and electrical/electronic waste tonnages.

International network for data entry

Before its merger with the Gillette Group, Procter & Gamble used several country-specific applications to manage its recycling processes. There were no centralized processes or strategies. The integration of the new brands

produced a huge volume of data. Procter & Gamble realized that its own systems were not sufficient to comply with the statutory requirements for recycling management. Company management therefore decided to implement SAP Recycling Administration.

The SAP Recycling Administration package, which includes REA® software, provides P&G with a uniform system internationally. Its flexible billing software consolidates all the required recycling-management processes and provides access to the necessary data and statutory notifications at one mouse click, by calling up material and article information directly from materials management. The processes are standardized.

An application that meets all statutory requirements

SAP Recycling Administration is a scalable software package that supports all European directives regarding packaging, batteries, and electronic waste. The SAP application enables reliable tracking of the packaging and electronic components of all products brought to market and enables classification of the recycling charge systems on a country-specific basis, in line with legal requirements.



Dietmar Giljohann, REA Systems Manager at Procter & Gamble, explains: "We only have to enter the data once, and all our staff around the world can access it immediately. In the past, data had to be entered several times."

The main challenge for the project team was to transfer the master data from Gillette to Procter & Gamble. The team members had to work together closely to handle the huge volume of data from the Gillette, Braun, Duracell, and Oral-B source systems. P&G staff can now use SAP Recycling Administration to manage all data centrally. Since the software package is fully integrated in SAP ERP, the latest billing data is available at all times; there is no need for additional interfaces to external systems.

Project implemented "within budget and on time"

The entire project was implemented within budget and on time. The implementation was completed within seven months – not least because the knowledge transfer from Gillette to Procter & Gamble ran like clockwork, explains Giljohann: "Most of the processes could be managed quickly online. It all went extremely smoothly."

The strategic consultants from SAP Consulting contributed their specialist knowledge to ensure optimal implementation of additional SAP Recycling Administration functions, while the consulting teams ensured a smooth go-live and stable operation of the system.

Looking to the future

At present, six Procter & Gamble employees in five countries use SAP Recycling Administration. This will soon increase to 20 employees in 20 countries. There are also plans to consolidate other systems to increase the level of automation. P&G will be relying on SAP support for this too, explains Giljohann: "Procter & Gamble looks to SAP whenever it needs new solutions."

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