VAAHTO GROUP

UNIFYING GLOBAL LOGISTICS TO SUPPORT GROWTH

QUICK FACTS

Industry
Industrial machinery and components – paper

Revenue
€35.2 million

Employees
392

Headquarters
Lahti, Finland

Web Site
www.vaahtogroup.fi

SAP® Solutions and Services
SAP® ERP application

Implementation Partner
SAP Consulting

Vaahto Group is a technology company that develops equipment and provides services to aid production in the paper, board, pulp, and process industries. To support its objectives for growth and internationalization, Vaahto retired its outdated legacy systems and adopted the SAP® ERP application. Now Vaahto has harmonized business processes, optimized performance, and standardized business practices across its two operating divisions.

Key Challenges

- Replace legacy software with an integrated solution to standardize and centralize business processes
- Unify planning of project logistics across operating divisions
- Facilitate collaboration among customers, design partners, and subcontractors
- Increase visibility of operational data
- Present one face to customers

Why SAP Was Selected

- Integration of key business processes
- Industry-specific functionality to help improve performance and reduce costs
- Computer-aided design (CAD) integration
- Scalability and flexibility of software
- Strong support network
- Industry knowledge, references, and consultative approach of SAP® Consulting

Implementation Best Practices

- Used ASAP methodology and standard best practices as basis for implementation
- Employed a phased implementation approach
- Established strong steering committee
- Developed governance procedures to control project scope, customizations, and costs
- Deployed internal team as trainers

Low Total Cost of Ownership

- Lowered support requirements by outsourcing hosting of system hardware
- Reduced maintenance by replacing more than 20 legacy systems with standard software
- Achieved implementation in 8 months
- Reduced finance personnel
- Adopted solution that can scale to meet future business needs

Financial and Strategic Benefits

- Harmonized, automated, and centralized processes for bookkeeping, accounts receivables, accounts payables, and purchasing
- Improved transparency of projects and enabled real-time supply chain management
- Enabled better collaboration through centralized planning functionality
- Increased productivity and workflow efficiency by integrating manufacturing and design documents into the software environment
- Improved customer relationship management processes by centralizing account information

Operational Benefits

Key Performance Indicator	Impact
Finance headcount	-25%
Month-end closing cycle	-30%
Entry of design documents with material codes	Days to minutes
Invoice and travel expense approval process	Hours to seconds

VAAHTO GROUP 1874

"SAP ERP has supported our transformation from a small machine workshop into a global engineering company. It has enabled us to unify our business processes, optimize performance, and achieve better operational control."

Anssi Klinga, CEO, Vaahto Group

www.sap.com/contactsap

Achieving a Global Transformation

Finland-based Vaahto Group has transformed itself from a small machine workshop to a global engineering company. It manufactures and delivers custom-designed equipment and provides services to customers in the pulp, paper, and process industries. The company operates as two main business divisions: a pulp and paper machinery division and a process machinery division.

To bring its products to market, Vaahto Group was manually coordinating project logistics among its two divisions. Each division was running its own software, making the process time consuming and complex and resulting in duplicate customer records. The fragmented solution landscape also limited management's visibility of enterprise performance. "Our goal is to become one of the leading paper machine manufacturers," says Virpi Björkman, Vaahto Group's IT manager. "We needed a software solution that could support our growth."

Meeting Key Requirements

After defining its requirements and considering options, Vaahto Group selected the SAP® ERP application. "We believe that SAP ERP provides the best foundation to manage and monitor our divisions in a way to improve performance and reduce costs," Björkman says. Vaahto Group also liked that it would be able to integrate computer-aided design (CAD) software and that the SAP software would scale to meet its evolving needs.

Achieving a Rapid Implementation

Vaahto Group selected SAP Consulting as its implementation partner. The implementation followed ASAP methodology and made use of standard best practices and detailed documentation to streamline the reengineering of business processes.

Under the guidance of a strong steering committee with clearly defined governance procedures, the implementation team deployed the software in two phases over the course of eight months. "We focused on the pulp and paper division first, followed by the process machinery division," Björkman explains. Vaahto Group developed its own training materials and used internal personnel to train software users.

Integrating Project Logistics

Vaahto Group's SAP software integrates its entire supply chain from product design to purchasing, manufacturing, project deliveries, and maintenance, facilitating collaboration on customer orders. "By centralizing our planning functionality and enabling real-time supply chain management, SAP ERP helps us manage complicated projects with greater efficiency and control," says Björkman.

Vaahto Group's customers are benefitting as well. With CAD system integration, Vaahto Group's design process is more efficient and results in faster and more reliable delivery times. Customer records including invoices and orders are now unified, making the customer experience more seamless and efficient.

Improving Operational Control

The software has centralized purchasing and accounting processes and enables real-time reports for improved financial management. "We now have better visibility of enterprise data to support decisions and control costs," Vaahto Group's CEO Anssi Klinga explains. Through centralization, Vaahto Group has been able to reduce its finance headcount by 25% and speed month-end closing by 30%.

Maintaining a Low Total Cost of Ownership

Vaahto Group has reduced its ongoing IT maintenance requirements by replacing more than 20 legacy systems with standard SAP software. In addition, it maintains a lean IT organization by hosting its IT hardware externally.

Looking ahead, Vaahto Group wants to improve the efficiency of its sourcing and procurement organization. "In keeping with our current technology strategy, we'll look to SAP software first to harmonize these processes," Björkman says.

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