



HARMAN/BECKER

EVERYONE'S IN HARMONY WITH A STREAMLINED, TRANSPARENT PROCUREMENT PROCESS

QUICK FACTS

“With SAP Supply Network Collaboration, we’ve created a classic win-win situation. While we’re reducing our stock levels and operating overhead, our business partners are getting transparent data.”

Lucia Gold, Project Lead for SAP Supply Network Collaboration, HARMAN/BECKER Automotive Systems GmbH

Company

- Name: HARMAN/BECKER Automotive Systems GmbH
- Location: Karlsbad, Germany
- Industry: Automotive – supplier
- Products and services: High-end audio systems and infotainment packages
- Revenue: €1.76 billion
- Employees: 6,700
- Web site: www.harmanbecker.com
- Implementation partner: SAP Systems Integration AG

Challenges and Opportunities

- Standardize procurement process worldwide
- Eliminate gaps in communication with suppliers

Objectives

- Integrate new software into existing SAP® software landscape
- Give suppliers access to data for maximum planning scope

SAP Solutions and Services

- SAP Supply Network Collaboration application, part of the SAP Supply Chain Management application
- SAP NetWeaver® Exchange Infrastructure (SAP NetWeaver XI) component

Implementation Highlights

- Completed first integration based on SAP NetWeaver XI
- Benefited from pilot project for interfaces
- Transferred master data and movement data out of the box

Why SAP

- Optimal integration with SAP back-end software
- Fulfillment of requirements down to the last detail (multiple manufacturing plants)
- Automatic transfer of master data

Benefits

- Standardized procurement process worldwide
- Reduced holding costs and operating overhead
- Streamlined system monitoring and maintenance

Existing Environment

SAP R/3® software (functionality now found in the SAP ERP application)

Third-Party Integration

- Database: Oracle Database 10g
- Hardware: HP Integrity rx 4640
- Operating system: HP-UX 11.23

HARMAN/BECKER

EVERYONE'S IN HARMONY WITH A STREAMLINED, TRANSPARENT PROCUREMENT PROCESS

HARMAN/BECKER Automotive Systems GmbH is cutting costs, reducing its operating overhead, and giving its suppliers greater scope for planning with a new supplier collaboration portal powered by SAP NetWeaver® technology platform components.

From high-end audio systems with innovative surround-sound technology to complete infotainment packages, HARMAN/BECKER turns driving into an emotional experience that touches all the senses. As a system supplier to the automotive and retail industries, the company, based in Karlsbad, Germany, and with 6,700 employees, delivers complex goods to customers all over the world. Each product consists of numerous individual parts and is the result of intricate procurement processes. In 2005 the company restructured its entire supplier management operation in order to significantly reduce safety-stock levels and operating overhead associated with these processes.

Leaving Inefficient Procurement Processes Behind

"Before the restructuring, our supplier processes were characterized by disparate procedures and integration gaps," says Johannes Schindlbeck, IT project lead at HARMAN/BECKER. "Our main suppliers were connected via conventional EDI [electronic data interchange]. We placed orders with most of our suppliers by fax and received confirmations from them by the same route. Apart from offering zero transparency, these processes were a dangerous source of errors."

However, help became available in the form of a global Web portal for those suppliers who are not connected to HARMAN/BECKER by EDI. In mid-2005, the company decided to implement the SAP® Supply Network Collaboration application (formerly known as the SAP Inventory Collaboration Hub application). SAP Supply Network Collaboration is part of the SAP Supply Chain Management application.

Data Transfer Without Pit Stops

HARMAN/BECKER had good reasons for choosing SAP Supply Network Collaboration. Not only could the new application be linked to SAP back-end software, but it also gave the company a chance to put the SAP NetWeaver Exchange Infrastructure (SAP NetWeaver XI) component through its paces. SAP NetWeaver XI, a powerful enterprise application integration tool, provides system-to-system integration for systems running SAP and non-SAP software. HARMAN/BECKER's experience with SAP NetWeaver XI during the implementation project was so positive that it is the preferred integration tool throughout the enterprise – now and in the future.

As Schindlbeck reports, the company has not had to create a single item of master data manually in SAP Supply

Network Collaboration. This is because information is transferred automatically from the back end, and material numbers and names are updated on an ongoing basis. Even movement data, such as message types, is transferred smoothly. "When you link up a new system, your main challenge is to ensure the technical integration of master data and movement data. With SAP NetWeaver XI, this takes place out of the box," says Schindlbeck.

Optimized Delivery Processes for Entertainment on the Move

Beginning at the end of 2005, implementation of the application at three locations in Germany went off without a hitch. Although the process of linking up HARMAN/BECKER's suppliers to the portal will take until mid-2007, the benefits of the new application are already apparent. "With SAP Supply Network Collaboration, we've created a classic win-win situation. While we're reducing our stock levels and operating overhead, our business partners are getting transparent data," says Lucia Gold, project lead for SAP Supply Network Collaboration at HARMAN/BECKER. And because they receive information in electronic form, suppliers can evaluate it according to their requirements.

Suppliers Choose the Best Route

To exchange data electronically, HARMAN/BECKER's suppliers require only Internet access and a Web browser. By using this route, they reduce their operating overhead, because the new process is clearly structured.



“When you link up a new system, your main challenge is to ensure the technical integration of master data and movement data. With SAP NetWeaver XI, this takes place out of the box.”

Johannes Schindlbeck, IT Project Lead, HARMAN/BECKER Automotive Systems GmbH

An infotainment specialist at HARMAN/BECKER periodically transfers scheduling agreement releases to SAP Supply Network Collaboration. In the Web portal, the relevant supplier confirms receipt of the agreement release and creates an advance shipping notification (ASN). Schindlbeck continues: “The SAP application provides a very sophisticated supplier-managed inventory function that we use to replenish

Procurement Solution with Plenty of Scope

One of the contributing factors is the advance notification process itself. In accordance with its stocking plan or release schedule line, the supplier creates an ASN in the Web portal (with SAP Supply Network Collaboration as the enabling software). In the future, when creating an ASN in the portal,

At Top Speed Toward a Central Supplier Platform

Aside from using conventional EDI messages to communicate with its suppliers over the Internet, HARMAN/BECKER plans to deploy a worldwide, centralized supplier platform that is simple to maintain and monitor. Again, SAP Supply Network Collaboration will provide the ideal solution, because it allows multiple factories to collaborate with their business partners independently of one another.

“The SAP application provides a very sophisticated supplier-managed inventory function that we use to replenish our consignment stock.”

Johannes Schindlbeck, IT Project Lead, HARMAN/BECKER Automotive Systems GmbH

our consignment stock.” In this procedure, instead of issuing releases, HARMAN/BECKER automatically transfers inventory and demand data to the Web portal at regular intervals. This gives the company’s suppliers the freedom to decide on their own stocking strategy.

Secure Strategy Keeps Data Traffic Flowing

Whether a supplier uses the scheduling agreement procedure or supplier-managed inventory, both methods produce automatic alerts if stock levels exceed or fall below the figures previously established between the supplier and HARMAN/BECKER. The supplier also receives an alert if it has issued an ASN for an incorrect quantity or when a backlog occurs. The company uses the Web portal to inform its suppliers immediately of any changes. “Our new procurement process is not only extremely efficient, it is also highly secure,” says Schindlbeck.

suppliers will be able to create handling units based on packing instructions and print out a delivery note and bar codes for attachment to transportation containers.

As soon as the goods leave the factory, ASN data is transferred to HARMAN/BECKER’s back-end SAP software via SAP NetWeaver XI. And once HARMAN/BECKER has posted the goods receipt, the status on the supplier side is set to “done.”

HARMAN/BECKER plans to process credit memos and invoicing using SAP Supply Network Collaboration, which means they can operate the entire procurement process in a single application.



50 088 056 (08/02)

©2008 by SAP AG

All rights reserved. SAP, R/3, xApps, xApp, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.