Novellini: Maintaining Control Throughout the Manufacturing Process

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Partner

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Company or Organization
Novellini SpA

Headquarters
Borgoforte, Italy

Industry, products, and services
Consumer products – shower enclosures, bathtubs, and hydromassage baths

Web site
www.novellini.com

SAP® solutions
SAP® Manufacturing Integration and Intelligence (SAP MII) rapid-deployment solution for batch manufacturing

Partner
IT-Link S.r.l. (www.it-link.eu)

Crafting the perfect shower experience

Everyone appreciates a refreshing shower. What is not appreciated is mopping up the bathroom afterward because the shower enclosure is poorly designed. That won't happen if the shower enclosure is from Novellini SpA. **Novellini crafts shower enclosures meticulously.** With control over every step of the manufacturing process, it turns out water cabins excellent in every respect – functional, robust, lightweight, reasonably priced, and attractive.

Formed in 1970, Novellini has grown to become Europe's leading manufacturer of shower enclosures. Its operations span everything from melting aluminum to final assembly, packaging, and warehousing. However, Novellini needed software to tie all these operations together. To do the job, it chose the SAP® Manufacturing Integration and Intelligence (SAP MII) rapid-deployment solution for batch manufacturing. Now all of the production managers at Novellini share the same data, which helps them provide reliable delivery schedules for customers. Another benefit introduced by the SAP software is a common vocabulary. When they meet, managers no longer waste time on small day-to-day issues. Instead they talk strategy for improving the product, focusing their thoughts on how to make the modern shower experience better than ever.

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Gaining a single, current, comprehensive view of operations

Novellini has had a lot of practice making shower enclosures, having shipped 1 million of them each year for the last decade. With all its growth, the family-owned business from Italy took on more and more of the operations required to produce its products. Novellini now has total vertical manufacturing operations, including its own metal casting foundry, glass production, and plastic material thermoforming. But the company was not satisfied just to have all aspects of manufacturing under its control – it wanted them integrated. "We had a babel of different applications in our various manufacturing departments that could not talk with one another at all well," says Fabrizio Lorenzini, Novellini's CFO. "There was no one place where we could obtain a complete, up-to-date view of our production situation, which is critically important for a complex manufacturing company."

Novellini wanted its manufacturing support software – not its people – to communicate the details. Novellini also wanted to ease the burden on IT, which was saddled with supporting the many software packages. Additionally, it wanted to cut inventory carrying costs, reduce lead times, increase report accuracy, improve control, and be more responsive to market demand fluctuations. Most of all, it wanted to increase customer satisfaction by providing more reliable delivery schedules and assists like tracking numbers.

"Our vision was to adopt a single application that comprehensively covered all the needs of our various manufacturing departments and integrated the flow of information among them."

Fabrizio Lorenzini, CFO, Novellini SpA

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Combining functionality, integration, and ease of deployment

Novellini has run its business with SAP software for many years. Therefore, it was only natural for the company to look first to SAP for a solution for achieving its goals in manufacturing. SAP presented its SAP MII rapid-deployment solution for batch manufacturing. "We examined the application carefully and found that it addressed every one of our challenges," reports Lorenzini. "It tightly integrates all aspects of manufacturing with one another and also with the rest of the company via the SAP ERP application. It is easy to connect with other software systems, can operate in both synchronous and asynchronous mode, and has a development environment that is flexible and easy to use."

The rapid-deployment solution held another attraction for Novellini, as Lorenzini explains, "It is a preconfigured solution and therefore less costly and faster to implement, and it carries fewer risks. Since one of our objectives was to cut expenses in IT, that was very appealing."

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Going productive with a tailored solution in four months

As its implementation partner, Novellini selected IT-Link S.r.l., a specialist at installing manufacturing software from SAP. IT-Link used rapid deployment to implement many functionality areas of SAP MII, including manufacturing operations cockpits, manufacturing order lists, production confirmation, monitoring, and logging. Manufacturing operations cockpits provide production personnel with real-time insights into batch activities and key performance indicators in a convenient dashboard form. Manufacturing order lists streamline order management and allow shop-floor workers to quickly identify and assess materials. Production confirmation automates tolerance checking during order processing. Monitoring and logging functions support error detection and root cause analysis by capturing relevant batch manufacturing activities.

True to expectations, the project went smoothly and finished on schedule and within budget in just four months. "In fact, installing standard SAP MII took only one month," says Lorenzini. "The rest of the time was for IT-Link to tailor it to our specific needs."

"The services that IT-Link provided were valuable not just because of its people's technical skills but because of their production process know-how."

Fabrizio Lorenzini, CFO, Novellini SpA

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Reaping benefits throughout manufacturing and IT

SAP MII replaced the legacy manufacturing applications and also provides software support for manufacturing areas that were previously not automated. Production managers now have a single information source to turn to. For the first time, information is consistent throughout manufacturing, which bolsters efficiency and has increased the accuracy of management reports. Furthermore, the information is available in convenient dashboard form for users.

Because they are already familiar with SAP software, IT specialists can support SAP MII much more easily than the legacy systems. Those applications have been retired along with the interfaces among them that were equally expensive to maintain. The extra effort required from the IT staff and external consultants to support the old software can now be directed to value-adding strategic tasks.

"The introduction of SAP MII allowed us to quickly dispense with several applications from companies that could not guarantee support or enhancements. Our adoption of SAP MII has led to an appreciable reduction in IT costs."

Fabrizio Lorenzini, CFO, Novellini SpA

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Increasing customer satisfaction through better information

SAP MII has made it possible for Novellini to streamline operations throughout manufacturing. The need for inventories of semifinished goods is down because of the faster, better communication that comes with automation. Lot size optimization, which is a challenge in the firm's complex, vertical operations, has been simplified. Production managers, freed from the need to exchange production details, are contributing to the business at higher levels.

In IT the cost reduction has been dramatic now that the legacy software licenses, maintenance contracts, and specialty skills are no longer required. Risks have been minimized as well since Novellini can now rely solely on SAP for its manufacturing software support. "We were always concerned that one of our former software suppliers would go out of business and leave us without support," explains Lorenzini. "With SAP, it's a relief not to have to worry about that."

Customers see the difference as well. "We have made some reductions in our lead times due to better production scheduling, but the most important improvement has been the reliability of the delivery dates we provide to customers," says Lorenzini. "They can go to our Web site and learn in a moment a delivery date they can count on for their shower enclosures and obtain shipping tracking numbers. Because of all these improvements, customer satisfaction has grown significantly – which was our number one goal."

"We completely recovered our investment in SAP MII in its very first year through savings in manufacturing and IT, and that doesn't count the revenue increases we are seeing because of improved customer satisfaction."

Fabrizio Lorenzini, CFO, Novellini SpA

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Anticipating future needs

Business continues to be strong for Novellini, and it promises to get even better as the firm finds more ways to take advantage of its manufacturing software from SAP. "Thanks to the application's flexibility, we can easily make the necessary adaptations to support improvements in our manufacturing and business processes," says Lorenzini. "We heartily recommend SAP MII, especially the rapid-deployment version."

Novellini's president, Gianfranco Novellini, agrees completely with Lorenzini's sentiments. "Thanks to SAP MII, controlling what happens in the manufacturing divisions directly from our business offices is easy and straightforward," he concludes.

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