KARL STORZ

FROM PAPER-BASED PROCESSES TO INTEGRATED, AUTOMATED WORKFLOWS THANKS TO SAP NETWEAVER®

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Manfred Nielsen, Director of International Master Data Management, KARL STORZ GmbH & Co. KG

QUICK FACTS

Company
- Name: KARL STORZ GmbH & Co. KG
- Location: Tuttlingen, Germany
- Industry: High tech
- Products and services: Medical instruments and devices
- Employees: Over 5,000 worldwide
- Web site: www.karlstorz.com
- Implementation partner: IBSolution GmbH

Challenges and Opportunities
Unite processes and technology

Objectives
- Set up company-wide, uniform master data management
- Consolidate and harmonize global master data
- Establish high data quality as basis for valid reporting and real-time international corporate governance

SAP® Solutions and Services
- SAP NetWeaver® Master Data Management component
- SAP NetWeaver Business Process Management (SAP NetWeaver BPM) component
- SAP NetWeaver Business Rules Management component
- SAP NetWeaver Composition Environment offering
- SAP NetWeaver Process Integration technology
- SAP NetWeaver Developer Studio tool

Implementation Highlights
- Implemented 8 components of the SAP NetWeaver technology platform in 7 months
- Completely digitalized workflow without media breaks
- Targeted user support when creating material master data via automatic filling of fields and predefined rules

Why SAP
- Thorough integration and optimal enhancement of software landscape
- Convincing range of functions, for example, mapping for data consolidation
- Openness of SAP NetWeaver technology platform

Benefits
- Excellent data quality
- Error-free reporting figures
- System-controlled process for data entry and enrichment
- Shorter process lead times for data management processes
- Simple status analysis via transparent processes
- Wider use of employee potential by mapping their know-how to automated business rules
- Perfect basis for automation of further processes with SAP NetWeaver BPM, with expected time savings for follow-on projects about 50%

STORZ
KARL STORZ—ENDOSKOPE

SAP®

KARL STORZ GmbH & Co. KG is a long-established manufacturer of medical devices and the global leader in the field of rigid endoscopy. The company achieved this top position as a result of its consistent focus on medical practice requirements and future-oriented product innovations for all endoscopic application areas. Yet it needed a high-level view of article movement, so it launched an innovative, large-scale project to consolidate its global material master data based on the SAP NetWeaver® Master Data Management (SAP NetWeaver MDM) component.

Since its founding in 1945 in Tuttlingen, Germany, KARL STORZ has been inventing products that to this day are still considered milestones in endoscopy and which paved the way for the widespread application of minimally invasive surgery. Today, the company develops, manufactures, and sells an extensive range of products worldwide that includes endoscopes, medical instruments, and endoscopic equipment. KARL STORZ recognized the trend toward system solutions in the early 1990s and has since become an experienced provider of fully networked operating room (OR) methods that centrally control all devices and technologies in the OR – with particular focus on ergonomics, patient safety, and telemedicine. The endoscopic equipment manufactured by KARL STORZ is used primarily in the medical treatment of human beings but is applied as well in veterinary medicine. Other industrial applications for its equipment include use in the maintenance and inspection of aircraft turbines, automotive engines, and buildings.

Fast Reaction to Market Requirements

In-depth consultations with leading surgeons, university clinics, and research institutes provide KARL STORZ with valuable input for further optimizing its range of offerings, which currently comprises around 15,000 products. Besides production at its headquarters in Tuttlingen, KARL STORZ has seven other development and production locations in Germany, Switzerland, the United States, Estonia, and the United Kingdom. Each location boasts its own highly specialized technology expertise: mechanical and optical components are produced primarily in Germany and Switzerland and camera systems and fiber optics in the United States. This high degree of specialization, catalyzed by an international research and development team, enables KARL STORZ to react quickly and effectively to changing market requirements.

A View of International Business

For historical reasons, the company operated two completely separate SAP® software landscapes, one in the United States and one in Europe. Both landscapes were technologically congruent and state of the art. They did differ, however, in their basic settings, in the way the processes were set up, and what data was captured. This gave rise to an inconsistency in the product numbers used internally. These database-level differences had to be harmonized for the company to gain a higher level view of article movements and a reliable basis for analyzing the company's international corporate governance. So KARL STORZ launched an innovative, large-scale project for consolidating its global material master data. "The results surpassed our expectations and project goals," says project lead Manfred Nielsen. "Three central issues were at stake right from the start: How can identical information from the material master be merged unambiguously? How can changes to products be made transparent and understandable? And how can we ensure that cross-national reporting of saved facts and assumptions will take place?"

Gapless Transparency

Most of KARL STORZ's products are composed of many individual parts, which include such necessary and diverse elements as instruction manuals and technical documentation. Without all those parts, a product cannot be shipped. At the same time, many departments are involved in producing

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a finished product of the highest quality, and if the development process ground to a halt somewhere along the way, pinpointing the cause for the delay was a tedious job. No one could just push a button to find out what business area still had work to contribute to finish the product so that it could leave the facility.

The company needed a process it could control from the first bit of data entered for a new or changed product onwards, without gaps and in a transparent manner. According to Nielsen, "Information is our company's asset. Our goal was to acquire a higher-level data management scenario with unified operations for all departments. To do this, we had to eliminate the paper-based process gaps and map our knowledge to a system-controlled process." In addition to optimizing its master data, the company wanted to achieve a high level of data quality from start to finish while keeping the maintenance effort as low as possible.

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The Choice of SAP Over Competitors

In an intensive analysis phase, KARL STORZ compared several technology providers and ultimately chose SAP software. Nielsen reveals that the decisive factors for this decision were not only the functionality of key mapping for master data consolidation but also the openness and ease of integration the SAP NetWeaver technology platform offered. KARL STORZ chose the consulting firm IBSolution GmbH as its implementation partner, which implemented a software landscape of eight components of the SAP NetWeaver technology platform in a record time of seven months.

Central Hub for Information Flow

For the SAP NetWeaver Portal component, a completely new interface was available that provided a full view of all the software components. As a result, SAP NetWeaver Portal bridges the gap between the departments and acts as central user interface for around 1,000 information providers. Instead of entering data for a product creation or product change in Microsoft Excel or Microsoft Outlook as they used to, users now enter the data into an entry screen linked directly to the SAP NetWeaver Business Process Management (SAP NetWeaver BPM), SAP NetWeaver Business Rule Management (SAP NetWeaver BRM), and SAP NetWeaver Master Data Management (SAP NetWeaver MDM) components. The software checks that all necessary information is entered, synchronized, and enriched each step of the way according to company specifications. In other words, the SAP applications keep the data entry process running smoothly.

Automated Process Without Gaps

SAP NetWeaver MDM consolidates and synchronizes the master data, handles the mapping, and returns the updated information to the integrated software landscape. "We use SAP NetWeaver MDM as an intelligent data network. It does not matter where in the process something was changed – the application recognizes even the smallest intervention and keeps the data consistent across all software," observes Nielson.

With the help of SAP NetWeaver BPM, business processes are modeled graphically using Business Process Modeling and Notation (BPMN) and activated without complex coding. In one project, a total of five data collection processes were modeled end to end and completely automated. For this to happen, more than 170,000 validation rules from the different specialist departments at the company had to be uploaded – for the most part from Microsoft Excel spreadsheets – into SAP NetWeaver BRM. SAP NetWeaver BPM then accesses these business rules to control the flow of information up to the defined end. Along the way, the software prompts the employees involved for required input, displays contextual help texts on input screens, and logs individual steps.

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The End of Paper-Based Workflows

As a result, the once paper-based workflow for data collection is now mapped completely in the software and is largely automatic. The automated support responds to users' questions quickly and makes sure the data entered meets the specified level of quality from the very start. According to Nielsen, this was a giant step for the organization. The company used to lose a lot of time dealing with questions and trying to find information. Now all process gaps have been eliminated, and the process has never been more transparent. "Thanks to SAP NetWeaver Portal, we now know, at any point in time, the status of a product and where information is missing," reports Nielsen. "As a result, we can speed up the process in a targeted and precise manner as needed. And thanks to the high data quality, we get statements for reporting that are consistent across the software landscape." The processing times for master data creation were reduced significantly, he added, which also reduced costs for the company considerably.

Well Equipped for the Future

All employees involved appreciate the improvements. "Our colleagues have given up their departmentalized view of things and see the advantages of having automated process control supported by SAP NetWeaver BPM. Some of our business areas would now like to simplify even more processes on their own initiative," reports Nielsen. "We now have an excellent basis for implementing processes with moderate effort and can automate many tasks along the way. SAP NetWeaver BPM has cut the implementation time for upcoming process projects in half. We are well equipped for the future."

IBSolution
The innovative business people

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