



GREENHECK FAN CORPORATION

ENABLING FIELD-TO-FACTORY NEXT-DAY ORDERS

QUICK FACTS

Industry

Manufacturing

Revenue

US\$500 million

Employees

2,700

Headquarters

Schofield, Wisconsin

Web Site

www.greenheck.com

SAP® Solutions and Services

Variant configurator in the SAP® ERP application, SAP NetWeaver® technology platform

Implementation Partners

intelligence Inc., Rapidigm Inc.

Key Challenges

- Create ability to quote, sell, and manufacture configurable products in an environment of high sales and short lead times
- Support lean manufacturing of complex, multidimensional products
- Enable electronic flow of configuration data directly to the manufacturing shop floor without human intervention
- Aim for field-to-factory next-day orders

Implementation Best Practices

- Use of ASAP methodology
- Focus on risk mitigation and organizational change management
- Risk aversion using phased implementation
- Blueprinting and process reengineering to treat custom products as make-to-order products
- Kanban to “lean out” manufacturing operations
- Steering team that was led by company vice presidents and key team players

Financial and Strategic Benefits

- Improved customer service and satisfaction
- Increased responsiveness with electronic confirmations of complex orders sent in seconds
- Increased efficiency with electronic flow of manufacturing data directly to shop-floor machines
- Improved foundation to support field-to-factory vision of next-day orders
- Reduced errors in product engineering and sales orders
- Growth without additional headcount

Why SAP Was Selected

- For manufacturing, the ability of the variant configurator in SAP® ERP to configure complex make-to-order and dimensional products
- For sales, the availability of product and pricing configurators for Greenheck’s independent sales force
- For customers, the ability to drive the configuration process using a full-fledged artificial intelligence configuration engine

Low Total Cost of Ownership

- Support for growth with the variant configurator without needing more engineers
- Minimal disruption to business operations during 4 successful go-lives
- Use of ready-to-go templates to accelerate future rollouts
- Rules-based logic to speed sales configuration
- Fewer errors in engineered products
- Well-trained core team and super users

Greenheck Fan Corporation is the world leader in the manufacture of air movement and control equipment. As part of an enterprise implementation to replace its core legacy systems with the SAP® ERP application and support lean manufacturing at multiple sites, Greenheck decided to enable the variant configurator in SAP ERP. This decision helped Greenheck to manage complex product configuration data so thoroughly that it transformed its business – increasing order velocity by more than 400%.



Operational Benefits

Key Performance Indicator	Impact
Order velocity	+400%
Order-entry errors	-38%
Distribution productivity	+20%
On-time shipment	+20%

“For a make-to-order company, there are no better solutions than those from SAP. Configuration is huge for Greenheck, and SAP delivers the best-in-class solutions for MTO [make-to-order] manufacturers.”

David Loomans, Manager, Engineering and Manufacturing Systems, Greenheck Fan Corporation

www.sap.com/contactsap

Managing the Challenge of Product Complexity at Greenheck Fan

Greenheck Fan Corporation, the world's leading manufacturer of air movement and control equipment, has achieved its growth through aggregate product offerings, acquisitions, and international expansion. To ensure that Greenheck outpaces its competitors, the company undertook a global enterprise management solution (GEMS) implementation to replace its old legacy systems, which contributed little toward the company's growth strategy, with SAP® software.

“For one thing,” says David Loomans, Greenheck's manager of engineering and manufacturing systems, “our legacy systems did not include a variant configurator.” Greenheck manufactures complex equipment as a matter of course for its customers, and it needed a way to more accurately and quickly quote, sell, and manufacture configurable products in a high sales volume environment. “We needed to enable the electronic flow of configuration data directly to the manufacturing shop floor without human intervention,” says Loomans. Therefore, in addition to an enterprise application to enable lean manufacturing of multidimensional products across multiple plants, Greenheck also decided it needed powerful variant configuration software.

Greenheck's Field-to-Factory Vision: Next-Day Orders with SAP Software

To improve its ability to manage complex product data and achieve its vision of next-day order delivery, Greenheck chose solutions from the SAP for Industrial Machinery & Components solution portfolio. These solutions deliver the functionality of the SAP ERP application and are powered by the SAP NetWeaver® technology platform. “The selection process was very rigorous,” says Don Brekke, Greenheck's vice president of information technology. “We used a formal approach of weighting and scoring the requirements for each of the potential solutions, added things up, and SAP was the leader.”

Those solutions included the variant configurator in SAP ERP. Greenheck felt that SAP software for configuring product variants could manage the information used in producing its complex make-to-order and multidimensional products.

To mitigate risk and business disruption, Greenheck chose a phased implementation approach using the ASAP methodology. The four phases were each about nine months in duration. “Considering the team size and large amount of master data,” observes Loomans, “this was very rapid. Our legacy systems did not have a variant configurator, so all of the variant configuration data was created from scratch.” SAP solutions have now been rolled out to all 20 Greenheck plants, and the company has expanded the rollout to include plants in Mexico and China.

Greenheck Fans Itself with Business Benefits

Three configurators were installed at Greenheck – the variant and Internet pricing configurators in SAP ERP and Socrates, an integrated third-party configurator from Cincom Systems Inc. They have contributed to true business transformation at Greenheck Fan, starting with a rapid increase in annual revenues – from US\$200 million at the time of the implementations to \$500 million in 2007. During this period, Greenheck experienced a 400% increase in order velocity and a 38% decrease in order-entry errors. With functionality like its product and pricing configurators, Greenheck has increased customer satisfaction while attracting new customers and enhancing its ability to grow, even in down markets. Furthermore, the configurators have contributed to Greenheck's growth without the need to add additional engineers. “We have increased revenue by about 75% since we started the SAP project,” Loomans concludes. “We simply would not have been able to grow to this level without SAP software solutions.”

Implementation Partner

itelligence is the leading choice for global small businesses and midsize companies seeking SAP solutions. The core of itelligence's full-service portfolio includes SAP consultancy, software development and system integration, licensing, outsourcing, and hosting.

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