



**SAP BUSINESS TRANSFORMATION STUDY**

**AT A GLANCE**

<b>Industries</b>	Mill products; high tech
<b>Revenue</b>	US\$1 billion
<b>Employees</b>	8,000
<b>Location</b>	Milwaukee, Wisconsin
<b>Web Site</b>	www.bradycorp.com
<b>SAP® Solutions and Services</b>	SAP® Business Suite applications
<b>Implementation Partner</b>	Wipro Technologies (Asia)

Brady Corporation uses its core capabilities in manufacturing, precision engineering, and materials to provide products for facility identification, safety, wire identification, people identification, and printed circuit board identification, as well as precision die-cut components for mobile telecommunications devices and hard disk drives.

**Key Challenges**

- Grow through acquisitions and geographic expansion
- Quickly integrate new acquisitions into the company
- Ensure cost-effective compliance with Sarbanes-Oxley Act
- Design and continually improve business processes that span multiple corporate entities
- Develop tools and methodologies for performing large numbers of software conversions in parallel
- Continuous improvement in IT effectiveness and efficiency

**Why SAP Was Selected**

- Considered SAP® software the best platform for sustaining growth
- Anticipated that SAP would become the world's major force in business software
- Wanted to take advantage of SAP's worldwide resources

**Implementation Best Practices**

- Using template approach for new deployments
- Splitting successful teams and deploying each half as leaders on new implementations
- Consistently meeting schedule and budget
- Partnering with integrator experienced in Asia
- Employing train-the-trainer approach

**Low Total Cost of Ownership**

- Improved IT effectiveness and efficiency (to date, reduced cost of IT as a percent of sales by 0.1% per year)
- Employing centralized IT support, with regional business alignment
- Implementing SAP software at new sites in as little as 2 months
- Steadily reducing deployment costs

**Financial and Strategic Benefits**

- Sustaining the growth-through-acquisitions model and annual double-digit revenue growth
- Smoothly integrating new acquisitions into the corporate fold
- Keeping business under control despite rapid influx of new acquisitions
- Changing business processes more easily and instituting new ones that cross corporate entities
- Preparing to save substantial time and money by taking advantage of common business software

**Operational Benefits**

<b>Key Performance Indicator</b>	<b>Impact</b>
New acquisitions integrated into company	5–10 per year
Number of sites running SAP software	31 and growing
Revenues attributable to sites running SAP software	> 60%
Time to implement SAP software for new business units (due to template approach)	-33%

**“It would be very difficult for Brady Corp. to sustain our double-digit annual growth if we weren’t aggressively deploying common global business processes enabled by our SAP software.”**

John Cullen  
Director, Enterprise Systems  
Brady Corporation

### **Making a Growth-Through-Acquisitions Strategy Work with SAP® Software**

With products that range from mobile software applications to industrial labels, precision die-cut solutions, and much more, Brady Corporation is the classic example of a diversified manufacturer. While many companies have difficulty managing such a varied portfolio, Brady thrives on it – and continues to broaden its scope even further with an aggressive acquisition schedule. This approach has been an unqualified success, with annual double-digit sales growth and even stronger growth in profitability. Growth by acquisition, however, presents challenges integrating new entities into the corporation, especially their IT infrastructures. To meet these challenges, Brady’s strategy is to quickly move new acquisitions to the SAP® Business Suite family of business applications, the corporate standard.

Integrating new IT infrastructures was not always as easy as it is today. When the parent organization was first using SAP applications, new entities continued to use existing software. Efficiency suffered as a result, especially when Brady tried to institute inter-entity processes. The rapid pace of acquisitions presented challenges. Therefore management charged IT to move all new members of the corporate family to SAP software as fast as possible.

### **Organizing for En Masse SAP Software Implementations**

The IT staff responded by segmenting global business entities into three lines of business and developing implementation templates for each – a strategy that cut typical implementation times from six to twelve months to three to six. To deal with the unique challenges of Asia, where Brady has been particularly active, the company engaged Wipro, a systems integrator with a great deal of experience in the region, especially China. Brady

also developed a novel method for propagating implementation expertise: after a team successfully completes one project, half its members serve as leaders for another implementation while the other half does the same on a third team. By expanding its experience pool this way, Brady successfully converted 16 sites in less than one year, including nine in Asia. Conversion is an ongoing process with 12 more sites targeted for the next year, and no end in sight to the steady flow.

### **Maintaining Control Despite Fast Growth**

With all this experience, Brady has become very proficient at implementing SAP software for new corporate members. The teams consistently complete conversion projects on schedule, within budget, and without surprises. Once the parent company brings new entities onboard with SAP applications, it is much better positioned to maintain the control over them required for Sarbanes-Oxley compliance and for maximizing their contribution to corporate success – for example, by including them in processes that span multiple groups.

### **Pursuing Additional Benefits**

Brady has been resoundingly successful in achieving its most urgent goal: smoothing the incorporation of new business entities to enable continued growth at the same fast pace. With its expansion methodology well in hand, the firm is focusing on achieving benefits of a different kind – saving costs and streamlining operations with SAP software throughout the organization.