

SAP Customer Success Story Chemicals – Process Manufacturing



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Esben Viskum, IT Manager, AarhusKarlshamn AB

AT A GLANCE

Company

- Name: AarhusKarlshamn AB
- Location: Malmö, Sweden
- Industry: Chemicals – process manufacturing
- Products and services: Vegetable oils and fats
- Revenue: SKr 11 billion (€1.1 billion)
- Employees: 2,500
- Web site: www.aak.com

Challenges and Opportunities

- Requirement to streamline business processes across 2 recently merged companies
- Lack of integration between customer data sources across the organization
- Pressure to respond quickly to customer price inquiries in changing markets
- Inaccurate forecasting information leading to production inefficiencies

Objectives

- Consolidate customer data from multiple legacy systems
- Provide a single view of customer history
- Enable sales personnel to carry out complex pricing calculations quickly
- Deliver accurate forecasting reports to support production planning

SAP® Solutions and Services

- SAP NetWeaver® platform
- SAP NetWeaver Master Data Management, SAP NetWeaver Business Intelligence, SAP NetWeaver Exchange Infrastructure, SAP NetWeaver Portal components

Implementation Highlights

- Worldwide rollout to 150 sales and back-office personnel
- Phased implementation completed within 9 months
- Support from the SAP® Consulting organization as required

Why SAP

- Comprehensive functionality
- Easy integration with 3rd-party solutions
- In-house experience with existing SAP solutions

Benefits

- Comprehensive customer information providing salespeople with insight into order history
- Fast turnaround of quotations, improving customer satisfaction
- Accurate forecasting reports, enabling effective production-based decision making
- Scalable, open infrastructure that supports future growth

Existing Environment

- SAP ERP application and legacy software

Third-Party Integration

- Database: Oracle
- Hardware: IBM
- Operating system: IBM AIX

AARHUSKARLSHAMN

Newly Merged Manufacturing Group Unifies Sales Organization with the SAP NetWeaver® Platform

When vegetable oil producers Aarhus United A/S and Karlshamns AB joined forces, AarhusKarlshamn AB became one of the leading players in the global oils and fats market. However, a lack of integration between sales processes and data threatened the efficiency and speed with which it could serve its customers. As Esben Viskum, IT manager at the Malmö, Sweden–based company, explains, “We had disparate silos of information about customers, products, and pricing. To work effectively, our salespeople needed a single view of that data.” To address this, AarhusKarlshamn decided to implement the SAP NetWeaver® platform.

With 2,500 employees at plants in Sweden, Denmark, United Kingdom, United States, Holland, Mexico, and Uruguay, as well as sales offices around the world, AarhusKarlshamn is a giant in the highly competitive global oils and fats industry. The SKr 11 billion (€1.1 billion) company supplies a range of oil-based products to confectioners and other food manufacturers, as well as to the cosmetic and pharmaceuticals industries.

An Integrated Approach

Even before the merger, the group’s seven plants operated largely as independent organizations. “Each plant had its own customer portfolio, products, and pricing, as well as its own sales personnel – and different IT solutions to support them,” says Viskum. “As a result, global customers purchasing from more than one site might experience inconsistencies in service, with numerous salespeople offering products at different prices.”

AarhusKarlshamn recognized the need for a more integrated approach. It decided to unify its sales organizations at four of its seven sites – in Denmark, Sweden, Holland, and Uruguay – so that a single, dedicated account manager looks after the needs of each customer.

“Having the scalability to incorporate new acquisitions and the ability to integrate them quickly is key. SAP NetWeaver will continue to support us as we grow.”

Esben Viskum, IT Manager, AarhusKarlshamn AB

Platform for Consolidation

With numerous legacy IT solutions in operation at the company’s manufacturing plants, IT staff set out to find a suitable platform that would enable them to integrate sales data – allowing sales personnel to access a single, consolidated view of account information.

Having considered various solutions, the company chose the SAP NetWeaver platform. “We used SAP software at Aarhus United before the merger, so we already had a lot of in-house expertise,” comments Viskum. “In addition, SAP NetWeaver provided all the functionality we were looking for – and was open enough to integrate easily with our other IT solutions.”

Complex Pricing Support

Within the oils and fats industry, the prices of raw materials can rise and fall very rapidly. As well as ensuring that pricing decisions are complex, this also means that it is critical to respond quickly to customer enquiries. “Speed of pricing is very important,” confirms Viskum. “Our customers follow the prices of raw materials and know when they want to do business with us. If we’re slow, we can lose sales.”

To provide pricing support, the company decided to develop a sales cockpit that enables account managers to carry out complex calculations quickly. IT personnel transferred customer data from the existing enterprise resource planning systems into the cockpit using the SAP NetWeaver Exchange Infrastructure component. However, because different sales groups across the organization had previously dealt with the same companies, there were many duplicate records.

Providing a Single View of Customer Data

To address the duplication of customer records, the company used the SAP NetWeaver Master Data Management (SAP NetWeaver MDM) component to remove duplicates, match and merge customer records, and provide a single view of information about customers.

“Previously, we couldn’t do accurate forecasting because we didn’t have a single, integrated tool that covered all sales activity.”

Esben Viskum, IT Manager, AarhusKarlshamn AB

Now, when they need to provide a price to a customer, salespeople simply access the cockpit using the SAP NetWeaver Portal component to see an overview of all the available information about a particular customer – and details of the previous orders the customer has placed. “The solution stores information about all of our 8,000 active customers, and our salespeople use it to make between 50 and 100 pricing calculations a day,” says Viskum.

Based on current market conditions, order size, and customer history, the solution rapidly calculates prices so account managers can provide customers with a timely response. “It’s an extremely important tool for the salespeople,” comments Viskum.

Accurate Forecasting for Efficient Production Planning

Another key phase of the project was to provide organization-wide access to global sales statistics, supporting forecasting, and production planning. “Previously, we couldn’t do accurate forecasting because we didn’t have a single, integrated tool that covered all sales activity,” says Viskum. “Instead, we had to rely on numerous spreadsheets. That was slow and inaccurate and could result in inefficient production schedules.”

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To address this, IT personnel at AarhusKarlshamn developed a new sales statistics and forecasting tool using the business planning and simulation functionality within the SAP NetWeaver Business Intelligence component. Using the tool, account managers enter sales information through a Web-based interface. Production personnel across the group can then access up-to-date reports to support decision making.

Because data has once again been transferred from multiple sources, the global sales statistics tool currently contains duplicate records. However, once again, the company plans to use SAP NetWeaver MDM to merge records and provide a consolidated view of sales activity for each customer.

Worldwide Implementation

Over a nine-month period, the SAP NetWeaver–based solutions were rolled out to 150 users at manufacturing plants and sales offices around the world. The team’s experience working with the platform was helpful. However, discussions with the SAP® Consulting organization provided additional support when needed. “We had useful input from SAP consultants along the way,” confirms Viskum.

A user survey the company conducted has delivered positive feedback. “At first, it was difficult to get people to accept the new tools, but today we believe they’re very well accepted,” says Viskum. “We monitor usage, and we know they’re used a lot.”

Keeping a Competitive Edge

The SAP NetWeaver implementation is helping AarhusKarlshamn to streamline processes and deliver superior customer service – keeping its competitive edge. “Without the consolidated view of customer data that SAP NetWeaver delivers, we’d lose sales as a result of not being able to respond quickly to customers,” says Viskum. “We’d also risk making poor pricing and production decisions.”

Viskum also believes that the SAP NetWeaver platform provides a solid infrastructure for future expansion. “Having the scalability to incorporate new acquisitions and the ability to integrate them quickly is key,” concludes Viskum. “SAP NetWeaver will continue to support us as we grow.”

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