AMICA WRONKI

ENABLING CONTINUED GROWTH WITH A MORE RESPONSIVE SUPPLY CHAIN

QUICK FACTS

Industry
Consumer products – home appliances

Revenue
Zl 1.2 billion (€294 million)

Employees
2,500

Headquarters
Wronki, Poland

Web Site
www.amica.com.pl

SAP® Solution and Services
Responding to market and supply chain changes with the SAP® ERP application

Implementation Partner
BCC sp. z o. o.

Amica Wronki S.A. is one of Poland's largest manufacturers of household appliances. Faced with a fast-growing market and increasing competition, the company needed to improve its supply chain strategy to ensure continued profitable growth. Amica implemented the SAP ERP® application and gained widespread business benefits that included improved production planning, optimized manufacturing runs, and lower inventories.

Key Challenges

- Reduce negative impact of high product variety and variability
- Improve response to market demand
- Improve production planning with greater visibility into customers and suppliers
- Enable better assessment of project success and compliance with strategies

Why SAP Was Selected

- Support for best-in-class processes
- Comprehensive functionality for full range of processes – from product design to sales
- Integration of production planning, controlling, and general ledger in one solution
- SAP's R & D investment in technology and solutions

Implementation Best Practices

- Had strong executive ownership
- Invested in formal change management
- Linked project goals to business strategy
- Established performance measurements to assess project value
- Chose implementation partner with expertise in SAP® solutions
- Combined internal and external skills on a single project team

Low Total Cost of Ownership

- Completed project on time and within budget
- Minimized development and testing costs by using an implementation partner
- Supported business needs with limited instances of SAP software
- Reduced number of interfaces and maintenance support costs
- Replaced customized code with standard software

Financial and Strategic Benefits

- Ability to respond faster and with greater agility to changes in market demand
- More efficient communication with suppliers and customers
- Lower logistics costs due to reduced need for warehouse space and transportation
- Improved efficiency and productivity in manufacturing
- Better visibility into performance with consistent and usable key performance indicators
- Improved cash-flow and financial liquidity

Operational Benefits

Key Performance Indicator	Impact
Raw materials inventory	–20%
Finished goods inventory	–20%
Inventory savings	€5 million annually
Need for low-volume production runs	–30%
Manufacturing spoilage rate	–50%

Amica

SAP®

"We believe that by taking a new approach to our business – and supporting the company's operations with a world-class IT solution like SAP ERP – Amica Wronki will continue to grow profitably well into the future."

Robert Stobiński, Operation Director, Amica Wronki S.A.

www.sap.com/contactsap

Responding to Increased Market Demand

In the last decade, the demand in Poland for household appliances such as freestanding and built-in ovens, refrigerators, and washing machines has grown exponentially. And by producing more than a million units a year, Amica Wronki S.A. is one of that country's market leaders.

However, as operation director Robert Stobiński explains, Amica operates in an enormously competitive and fast-changing marketplace. "Manufacturers must offer a wide range of models and respond quickly to product lifecycles that have shortened by as much as 50%," says Stobiński. For Amica, high product variety and variability put increased stress on both its production efficiency and inventory levels. The company decided to drive continued growth by focusing on its most profitable products and optimizing its supply chain.

To help improve its business operations and gain greater market agility, company executives turned to the SAP® ERP application. "We recognized that the software's comprehensive functionality and native integration could support the type of best-in-class business processes our company needed," says Stobiński.

Setting Project Objectives

Amica took a considered approach to the implementation, establishing project goals that linked directly to the company's business strategy. To ensure a successful rollout, the manufacturer built a strong project team that combined skilled company personnel and support from BCC sp. z o. o. – an implementation partner with expertise in SAP solutions.

Ultimately, the company rolled out a full range of core functionality that included financials, controlling, production planning, material management, and sales and distribution.

Building Continued Market Strength

Today, Amica is maintaining its strong reputation for quality and innovation with improved production planning and rapid response to changes in customers' buying habits. For example, Amica can now better analyze both current market demand and developing trends with ready access to integrated customer information. This enables Amica to concentrate on its most profitable products – optimizing production volumes based on accurate sales and profit margin data. As a result, Amica has improved productivity, lowered the need for costly low-volume production runs, and cut both raw material and finished goods inventories up to 20%. The improved inventory control alone has saved the company an estimated €5 million annually.

Amica has also reengineered many of its processes in areas such as sourcing, inbound and outbound logistics, and forecasting to align the company's supply chain operations with its new market strategy. With new forecasting capabilities and electronic data interchange communications with vendors, for example, Amica can ensure timely delivery of needed materials. In addition, these process improvements are reducing logistics costs for warehouse space and transportation.

Planning for Future Success

Significantly, Amica now monitors key performance indictors from across its supply chain operations. As Stobiński points out, "This helps us ensure that ongoing improvement efforts are truly supporting our corporate objectives." With such measurable success, Amica is looking to improve online visibility within the supply chain at its subsidiaries in other countries. In fact, efforts have already started in Russia and Germany, and future locations include Denmark and the Czech Republic.

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