

Success Story:

Berner standardizes processes on a Europe-wide scale



The Berner Group is one of Europe's leading direct sellers in components sales, offering an all-round service to construction and automotive trades as well as the mechanical engineering sector. The group is represented in 16 European countries and in Taiwan. In the fiscal year 2003/2004, Berner generated a revenue of € 663 million and employed more than 6,300 workers, 3,883 of these as field staff.

The group has defined standardized business processes on a Europe-wide scale. These processes are now coherently represented by an integrated SAP solution. With "BASE 21," Berner has provided a basis for future innovation as well as securing the group's growth potential and competitiveness.

The scope of the project is impressive:

Company-wide standardization of business processes, rebuilding of the IT landscape, preparation and execution of the rollouts in a total of 19 regional subsidiaries, as well as the creation of support structures were part of this project.

One of the primary goals Berner has defined for BASE 21 is an improved supply capacity. This is to be achieved by more efficient order processing and better warehouse management. Further goals, besides the creation of group-wide standards for core processes, include higher investment security – based on the predominant use of standardized applications – as well as the determination and implementation of restructuring opportunities.

The advantages of using standardized software

Since the 1990s, the Berner Group has been using an individual solution based on PROGRESS. Over the years, this has developed into an independent software scenario for each individual company. "Even though the responsibility for the new releases was with the holding company, the subsidiaries continued the development of the software on their own, in line with their individual requirements," says Wolf Christian Drexel, Director of International IT at the Berner Group. This development

is now being offset by Berner, who finally decided to implement a standardized business software solution. "We did not see any economically viable option that would have allowed us to facilitate Berner's growth targets using the existing IT systems," explains Drexel. It is and was Berner's expressed goal to integrate the sales and logistics requirements into a new organizational structure and to represent them within an efficient and expandable IT solution.

After testing various scenarios, a decision was made in favor of SAP R/3 4.6C as the company-wide ERP solution together with SAP Business Information Warehouse. The SAP solutions are to be implemented as a company-wide system network solution alongside the warehouse management system. With this decision, it became possible to implement a new, homogeneous organizational structure for the Berner Group, as well as to also facilitate the future international growth of the Group, using an innovative, scalable, and integrated system.

A detailed technical concept and clearly defined stages

In February 2001, Freudenberg IT was contracted to coach Berner in the development of a technical concept. After a detailed technical concept was devised, a feasibility study was conducted by Freudenberg IT's system experts.

Thanks to their extensive experience in technical retail, the Freudenberg IT consultants had a clear understanding of the Group's business processes from the start and were in a position to map standardized business processes to Berner's individual requirements. After the first stage of the project was completed successfully, Berner contracted Freudenberg IT in December 2001 to create a Berner SAP template representing the Group's organizational structures. The classic SAP R/3 modules and the SAP Net-Weaver module "SAP Business Information Warehouse" were implemented accordingly. Berner was impressed by the well-planned project workflow. "We segmented the implementation of the system into clearly defined stages, ensuring that all participating employees always knew exactly which stage the project was currently at," says Erwin Schollenberger, Project Manager at Freudenberg IT.

The Project Manager sees the mix of employees as a significant prerequisite for the success of the SAP project implemented. The IT consultants obtain the necessary information about the processes from employees who have plenty of experience with them: "In the conceptional phase, Berner assigned individual employees from specialized departments to the SAP project on a full-time basis. This availability of personnel made a system implementation of this dimension considerably easier," says Schollenberger.

The Berner employees provided extensive details about business processes. On this basis, Freudenberg IT's consultants were able to summarize the processes succinctly

and convert them into a master template for the IT system. This template served as a basis for the project team to implement standardized business processes that would require only marginal adjustments to meet the respective requirements of the regional subsidiaries.

A SAP R/3 client system on a Europe-wide scale

The first operational system launch took place in September 2003 in Hungary. It was followed by the regional subsidiaries from South-Eastern Austria and the Czech Republic, and the regional subsidiaries from Central Europe in 2004 – with Germany and Austria having the most extensive systems.

The goal is to implement by 2006 the integrated system on a company-wide scale in all regional subsidiaries. "The ambitious time frame of three years for the international roll-out of the SAP systems can only be achieved with a flawless template," explains Project Manager Schollenberger, referring to the time-consuming efforts required in the preliminary stages. Effective as of 2006, a total of 1,400 Berner employees in the departments of Accounting, Controlling, Material Management, Sales, and Data Warehouse will be able to use the applications provided by the network.

The systems are being centrally managed by Freudenberg IT. For this purpose, the IT service provider operates the ERP system and data warehouse from its own data center in Weinheim, Germany, and can remotely access the warehouse manage-

ment systems of the logistics sites' central warehouses.

Without a doubt, one of the biggest advantages is that Berner will be able to support nearly all in-house processes with an integrated IT system landscape – from ordering and accounting to sales and shipping. New business scenarios are also facilitated by the system. As an example of such a new process, Wolf Christian Drexel mentions the invoice-inside-the-package idea: "This way, we save up to 80 percent of the daily postage for the mailing of invoices. With 12,000 invoices per day, this amounts to a considerable sum of money." A different example for new business scenarios is cross-company business. Field staff in the Czech Republic, for example, will place orders directly in the Group-wide system. The data is processed centrally and the shipping of goods from Austria to the Czech Republic is initiated directly.

The course is set

The Berner Group is standardizing its business processes internationally using its new organizational concept. With the integrated system solution, the Group has created a basis for mirroring its modern and efficient business processes in IT. "We are already investigating Internet-based applications to further improve our acquisition processes and to expand our customer service. The course has been set," says IT Manager Wolf Christian Drexel.

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