

SAP Customer Success Story

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Roberto Dolci, Director of Information Communication Technology Governance, Comau



AT A GLANCE

Company Name

Comau
Italy
www.comau.com

Industry

Automotive

Key Challenge

Create a common platform facilitating design and technical collaboration between Comau and its suppliers to reduce procurement processing time and cost, and integrate SAP® and non-SAP software of subsidiaries in different countries

Implementation Partner

Global Value, a joint venture of IBM and Fiat

Solution and Services

SAP NetWeaver™ platform, including SAP Enterprise Portal and SAP Web Application Server components

Existing Environment

- SAP Business Intelligence, a component of SAP NetWeaver
- SAP R/3® software, which is available today in the mySAP™ ERP solution
- mySAP Supplier Relationship Management
- SSA Baan IV
- MatrixOne

Implementation Highlights

- Initial e-auction functions available in 20 days; full implementation complete in eight months
- Serves 1,000 users (suppliers and employees)
- Sites connected in Italy, France, Germany, England, and the United States

Key Benefits

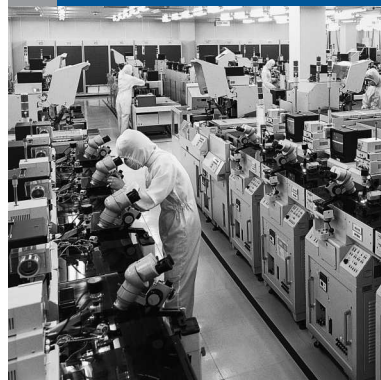
- Streamlined procurement process that is faster, more secure
- An increase in procurement efficiency for direct materials and services in excess of 4%
- Full ROI nine months sooner than expected
- The addition of new suppliers

Hardware

HP servers with Intel processors for Web presentation; IBM Regatta p690 for application

Operating System

IBM AIX UNIX with Oracle 8.1.7 database



COMAU

SAP NetWeaver™ PLATFORM STREAMLINES PROCUREMENT PROCESS FOR ITALIAN SUPPLIER OF AUTOMOTIVE AUTOMATION SYSTEMS

Comau, a global provider of automation systems to the automotive industry, relies heavily on strong relationships with its suppliers, which are an essential business lifeline. To ensure efficient communications with them, Comau implemented the SAP NetWeaver™ platform.

“With SAP Web Application Server and SAP Enterprise Portal, which are part of SAP NetWeaver, Comau has created a highly efficient electronic collaboration and procurement platform that has produced significant savings in time and cost and helped expand our supplier base,” says Roberto Dolci, director of information communication technology governance, Comau.

MEETING BOTH BUSINESS AND IT NEEDS

Comau has been working to develop a full-service package of automation support to automotive companies in the world's major industrial regions for nearly 35 years. Headquartered in Grugliasco, Italy, Comau boasts 54 divisions in 20 countries, with outstanding engineering capabilities. The company works closely with its suppliers in systems design and their technical support operations. Business partners throughout the world participate in developing and testing new automation technology for more efficient automobile production.

Comau counts most of the world's leading car manufacturers among its customers. To meet their needs, Comau itself needs a broad array of suppliers.

Back in 2000, it became increasingly clear that the company needed a Web-based means to communicate with its far-flung supplier base. The few electronic data interchange (EDI) links that Comau used for exchanging technical data were expensive, cumbersome, and inappropriate for most collaboration and procurement activities. A variety of enterprise resource planning (ERP) applications handled the issuing of purchase orders, receipt of goods, and invoice management. But supplier quotations, purchase-order confirmations, and delivery notifications were typically handled manually.

Quotation procedures varied from supplier to supplier, with some sending designs and bids by fax or snail mail. Says Dolci, “There were frequent mistakes in the exchange of information. The whole procurement process was very time-consuming and lacked reliability.”

Comau also faced the challenge of integrating two SAP® R/3® software installations used by its European subsidiaries with a highly customized SSA Baan IV ERP solution used by a U.S. subsidiary. SAP R/3 is available today in the mySAP™ ERP solution. By upgrading its SAP software for ERP in Europe and adding SAP Enterprise Portal and SAP Web Application Server, Comau served both a business need and an IT need. And in addition to choosing same-supplier solutions, Comau selected SAP NetWeaver as its e-procurement platform over the Oracle solution it reviewed, because of the robust functionality of SAP NetWeaver.

With SAP Web Application Server, Comau receives comprehensive software life-cycle management – from design, development, and deployment to execution, monitoring, and improvement. SAP Enterprise Portal gives Comau a quick, effective way to integrate its SAP solutions, third-party applications, legacy systems, databases, Web content, and collaboration tools. Predefined business content in SAP NetWeaver accelerates implementation and reduces integration costs.

RAPID ROI

Within 20 days after Comau installed SAP Enterprise Portal and SAP Web Application Server, it had electronic auctions up and running. Eight months later, Comau completed the full implementation, which included the training of suppliers and internal users. As with the implementation of SAP software for ERP, Global Value, a systems integrator that is a joint venture of IBM and Fiat, led the technical aspects of the project. The software was first launched in Italy and the United States, and then offered to suppliers worldwide. Today, the portal is used by about 500 suppliers and by 500 internal users in Comau’s technical and purchasing departments.

“The installation of SAP Enterprise Portal and SAP Web Application Server has significantly simplified, synchronized, and tightened communications with our suppliers,” Dolci says. “It has formalized the process for tracking requests for quotes and introduced e-auctions and advanced shipping. The information and quotes Comau receives from suppliers is more accurate and more secure. High-powered functions for handling purchase orders, catalogs, and invoices have made our procurement process faster and more efficient.”

Within a year and three months, e-auctions prompted an increase from 6.5% to 12.1% in average purchasing efficiency: that is the difference between the best bid Comau currently receives for an order and the price it would have paid in the past. This alone helped Comau reach ROI for the portal nine months sooner than the two years it originally estimated. In addition, indirect savings have been realized from greater information reliability, enhanced quotation accuracy, and a more rapid procurement process. Dolci says that both internal users and Comau's suppliers benefit from improved "ergonomics" that make the procurement system significantly easier to use.

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Technology Governance, Comau

While suppliers in France, Germany, and the United States were prepared for an e-procurement solution, suppliers from most other countries were not. To address this, Comau designated internal buyers for those regions as e-procurement "champions" who taught suppliers, as well as related Comau employees, to use the solution correctly. All but a few minor suppliers now participate in the e-procurement process.

"The ease of use, enhanced efficiency, and strong security of the e-procurement solution also helped us reach our goal of bringing in many new suppliers," Dolci adds. "Suppliers from smaller companies particularly appreciate how the portal creates a more level playing field. And everyone benefits from a more-timely payment process."

MORE IT ASSISTANCE PLANNED FOR SUPPLIERS

Comau plans to complete rollouts of SAP software for ERP at its subsidiaries in the United States, South Africa, China, and Brazil in 2005 and 2006. The company also plans to use mySAP Supplier Relationship Management to help it with strategic sourcing, agreements management, supplier list management, and reporting. Comau is also considering implementing mySAP Product Lifecycle Management.

As with SAP NetWeaver, Comau's decision to add other SAP solutions is based on the belief that the solutions will address both current and future needs. "We believe strongly in SAP's development capabilities," Dolci says.

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