

## SAP Customer Success Story

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Marc Hill, IT Manager, CORE Products



### AT A GLANCE

#### Company Name

CORE Products, France  
www.core-products.com

#### Industry

Automotive components

#### Key Challenges

- Short time frame for implementation
- High-risk combination of new-to-market hardware and operating system
- Excellent service and product availability for key customers

#### Implementation Partner

PMC France

#### Solution and Services

- mySAP® ERP, including solutions for financials, materials management, production, and sales and distribution
- SAP for Automotive

#### Previous Environment

Access to SAP® R/3® (functionality now available in mySAP ERP) via shareholder system

#### Implementation Highlights

- Project completed in five months
- Project success made it a case study

#### Key Benefits

- Managing customer relationships, from prototyping to first delivery
- IT autonomy and independence
- Customers reassured by use of SAP solution
- Dynamic response to changing circumstances

#### Hardware

- HP NetServer LH6000
- Dell workstations

#### Operating System

Linux (with Ethernet network and Oracle 8 database)

## CORE PRODUCTS

### FRENCH AUTOMOTIVE SUPPLIER CHOOSES SAP® FOR AUTOMOTIVE TO UNDERPIN ITS AUTONOMY

CORE Products, a joint venture established back in 1996, is based near Strasbourg in France. Today the company has a staff of more than 225 young employees and annual sales of more than €65 million. A key player in its market, CORE Products designs and makes inflatable car body inserts for all of the major automotive manufacturers. The inserts, through heat expansion within the vehicle, provide sound insulation, sealing, and structural rigidity. Since its inception, CORE Products had access to SAP® software via its European shareholder, an SAP customer. However, in 2001, when the shareholder changed, CORE Products saw a unique opportunity to create its own, independent IT infrastructure.

“Between 1996 and 2001, we had access via a network connection and client workstations to our European shareholder’s SAP system,” explains Marc Hill, IT manager at CORE Products. “When our shareholder was bought out in early 2001, the shareholders and management decided to end that arrangement and acquire our own ERP system. While the parameters of our former shareholder’s SAP solution weren’t entirely oriented to our business’s tasks, we had gotten used to the sheer power and dynamism of the system.”

With skyrocketing growth, a dynamic staff, a “start-up” outlook, and a rising profile among its customers, CORE Products got the go-ahead in 2001 to buy its own information system. The company decided to acquire an information system that would meet its primary objective. What CORE Products had in mind was to guarantee its flagship customers in the automotive sector excellent customer service by ensuring constant product availability.



The company also wanted a solution that reflected its own characteristics: dynamic and innovative. The solution that CORE Products eventually chose included the Linux operating system and HP's new NetServer LH6000 server. For the software, the company selected solutions from a vendor whose reputation they already knew: SAP.

#### **A SHORT TIME FRAME TO MAKE IT HAPPEN**

In February 2001, the company sent out several invitations to tender, targeted at IS developers, integration specialists, and ERP companies. The requirements sent to the technology companies were standard functionality within the mySAP™ ERP solution (finance, controlling, purchasing, logistics, and store management). The mySAP ERP solution, together with preconfigured industry enhancements, met more than 80% of CORE Products' task-oriented needs. Those needs included managing supply relationships with major companies in the automotive manufacturing industry. The relationships involved a process that stretched from vehicle prototyping all the way to delivery of the inserts to be integrated into the first vehicles rolling off the production lines. Another constraint imposed in the terms of reference was a very short implementation deadline – the system had to be operational by January 1, 2002.

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Marc Hill, IT Manager, CORE Products

“Having analyzed the responses we received and after looking at some of the solutions in greater depth, we decided to opt for SAP for Automotive for three key reasons,” explains Marc Hill. “The product's functional potential, the fact that many of our customers already had SAP, and the fact that our users were already SAP-proficient. The Linux operating system platform, which we chose for stability reasons, also worked in SAP's favor.”

In May 2001, CORE Products signed a contract with HP: “HP immediately understood what we wanted, and we were impressed at the speed and pertinence of their response with integration partner Arès,” Marc Hill adds.

By August 5, the two NetServer LH6000 platforms were up and running and the installation of the SAP for Automotive licenses was complete.

CORE Products' IT team immediately set about developing a legacy data migration interface with consultants from PMC France, who had been engaged for the project. In mid-October, following the completion of the data migration process, the project team (two internal IT people, four key users, and five PMC consultants) began setting the parameters of SAP for Automotive. By late December, the solution was operational, on schedule and within budget.

### **TAKING RISKS, PUSHING THE ENVELOPE**

“The project was heavily risk-laden,” recalls Marc Hill. “Implementing SAP for Automotive in less than five months on HP’s newest servers running Linux was something of a tall order.” Part of the risk was early adoption; this was the first SAP site in France under Linux. Marc Hill continues: “However, by using a deliberately restricted and therefore integrated project team – made up of operational staff who knew our business flows inside out, and by involving dynamic IT people who were able to get us network connections and machine capacity when we needed them – we managed to pull the project off. Our success also owed a lot to our readiness to focus on the real added value brought by the project, notably through the outsourcing of EDI.”

### **AUTONOMY AND APPRECIATIVE USERS**

Around 50 users throughout the company are already using the solution day in, day out. The tasks they carry out include: feedstock purchasing, stock and component management, shipment, billing, accounting, and controlling. The server response time, and the ergonomics and power of the SAP® solution are just some of the things they appreciate.

“All of us realize that this is a top-of-the-line solution that finally meets our needs and finally belongs to us,” adds Marc Hill. “Because the number one benefit this project has brought is the autonomy and independence it gives us.”

That autonomy is seen in faster and more dynamic response to changing circumstances. “Thanks to the flexibility SAP offers,” says Marc Hill, “we can rapidly change our processes or data to meet a request from a customer – modification of a component, for instance – or our own production flow requirements, such as adding third parties, and so on. Formerly, we were dependent on the availability of our former shareholder’s IT team. With its flexibility and open-ended structure, SAP for Automotive is the ideal tool to help us grow.”

### **SAP FOR AUTOMOTIVE: A COMPETITIVE ADVANTAGE FOR OUR COMPANY’S CUSTOMERS**

“Another aspect of the solution that our logistics managers in particular liked,” says Marc Hill, “is its openness, which has allowed them to automate stock data exporting to a third-party application, leased and hosted externally in ASP mode.” This enables suppliers to keep track of CORE Products’ stock levels via the Internet and to take responsibility for replenishing and optimizing those levels.

“On top of that, the fact that we use an SAP solution reassures our customers; it is truly a competitive advantage for us,” concludes Marc Hill. “This project, upon which our future hinges, has been taken up as a case study by our shareholders. We are now seen as an SAP for Automotive pilot site, and there may well be more companies following in our footsteps.”

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