

SAP Customer Success Story

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Ulrich Rosskopf, Business Consulting Manager, Freudenberg IT KG



AT A GLANCE

Company Name

Freudenberg Group
Germany
www.freudenberg.de

Industry

Various (including automotive, retail, and construction)

Key Challenges

- Decentralized, market-related decision making (regarding IT)
- Lack of integration between systems and departments

Implementation Partner

Freudenberg IT KG

Solution and Services

SAP NetWeaver™: SAP® Business Intelligence (SAP BI), SAP Enterprise Portal (SAP EP), and SAP Web Application Server (SAP Web AS)

Existing Environment

- SAP R/3®, now available in mySAP™ ERP
- mySAP Customer Relationship Management (mySAP CRM)

Implementation Highlight

Tri-level focus on application, information, and user integration during implementation

Key Benefits

- Greater cross-border collaboration
- Increased transparency of processes and business developments
- Reduction in overheads and additional consulting costs
- Faster employee access to important information
- Reduced total cost of ownership (TCO)
- Ability to easily integrate new functionality
- Support for previous IT investments, such as Lotus Notes

FREUDENBERG GROUP

SAP NetWeaver™ INCREASES BUSINESS VALUE AND ENHANCES COLLABORATION THROUGHOUT WIDELY DIVERSIFIED GLOBAL COMPANY

Freudenberg is a family company with an international outlook and a diverse product range: it markets everything from industrial seals and vibration control components to nonwoven materials, household cleaning products, and specialty chemicals.

DIFFERENT BUSINESS AREAS, UNIFIED GOALS

But although the Freudenberg Group boasts a broad product range spanning many industries, each business area is driven by the same goal: market leadership. Global presence and continual innovation are also strategic goals – combined with the group’s guiding principle of implementing progressive processes. And that’s where the SAP NetWeaver™ platform factors in.

“Our business goals can only be achieved with the backing of an appropriate IT strategy,” says Ulrich Rosskopf, business consulting manager at Freudenberg IT KG (F-IT).

“To achieve continual innovation, you need to have end-to-end processes. Market leadership demands customer focus and intensive data exchange with customers and partners. Global activity is only effective with the full collaboration of everyone involved,” adds Rosskopf’s colleague Reiner Schlosser, who is also responsible for innovation management.



Freudenberg's most important customers are in the automotive, textile and clothing, and construction industries. Thanks to the hard work of some 28,500 employees spread throughout the globe, the Freudenberg Group reported sales revenues of almost €3.9 billion (approximately US\$4.4 billion) in 2003. The group invested €140 million (approximately US\$157 million) in research and development in 2003, with almost 2,000 people in that area working to keep Freudenberg on the cutting edge.

A COMPLEX IT INFRASTRUCTURE

Freudenberg, which originally deployed SAP® software for enterprise resource planning (ERP), has to deal with a complex web of heterogeneous IT systems; more than 300 companies of different sizes market a wide spectrum of products across multiple industries, which translates into decentralized – and market-related – IT decision making at the business group level. In short, there is a growing need for close collaboration within the group and with external partners. With components from the SAP NetWeaver platform, Freudenberg has set the stage for achieving what some might consider a near impossible task. “SAP NetWeaver provides us with an integration and application platform that enables us to control our heterogeneous landscape and meet the specific requirements of our internal and external customers,” Rosskopf says.

THREE LEVELS OF INTEGRATION

With SAP NetWeaver, Freudenberg IT began pursuing a three-step integration strategy that covers system and application integration, information integration, and user-level integration.

SAP Master Data Management (SAP MDM), an SAP NetWeaver component, is currently being tested at the data integration level. Freudenberg already uses SAP Business Intelligence (SAP BI), significantly improving the flow of information throughout the group and dramatically enhancing project management.

Currently, Freudenberg IT is deploying SAP Enterprise Portal (SAP EP) to integrate users and processes groupwide, and is using SAP Web Application Server (SAP Web AS) as the application server and platform for Java-based developments. Freudenberg is currently evaluating the SAP Exchange Infrastructure (SAP XI) component within SAP NetWeaver to ensure optimum system integration.

SYSTEMATIC PORTAL STRATEGY

A group comprised of a network of companies operating in 54 countries – and with 75% of sales revenues outside Germany – has to pay more than lip service to cross-border collaboration. SAP NetWeaver can help ensure that tight collaboration is part of Freudenberg's everyday reality. “Portals provide the gateway to the Freudenberg world,” says Christoph Schulz, director, enterprise portal business unit, F-IT. “They enable users to access information in the underlying SAP systems, in areas like enterprise resource planning, business intelligence, customer relationship management, human capital management, and product data management.”

Freudenberg Information Exchange (FIX), the first portal to go live at the company, was aimed at managers in individual companies and originally had around 600 users. Since then, the group has extended this portal using SAP EP; FIX now functions as the central information hub for the Freudenberg Group. Currently more than 6,000 people groupwide use FIX, with this figure set to rise to 15,000. “The FIX portal promotes communication across the group and makes it easier to build internal networks,” Schulz says. With SAP EP, Freudenberg IT has realized improved information exchange between IT experts and has accelerated company-wide processes.

ROLE-BASED SERVICES/ CROSS-BORDER COLLABORATION

In addition to rapid access to information, employees can retrieve reports and analyses through the FIX portal. Decision makers can also use manager self-service capabilities, and can obtain a groupwide overview of recent developments, for example, along with crucial information – including data from non-SAP systems. They can then tailor reports or analyses according to their individual roles and/or business units. SAP NetWeaver also supports Freudenberg's preexisting IT investments. For example, users in Germany can integrate their Lotus Notes with those of employees working at a branch in the United States.

The FIX portal also strengthens knowledge management (KM) within the group. Employees have easy access to current process-related information from various archive and content management systems using KM functions available in SAP EP. They can quickly disseminate information, in context, to the right recipients. And, using SAP Enterprise Portal, employees can set up virtual collaboration rooms for cross-company projects. "This significantly helps promote cross-border collaboration within the group," Schulz says.

The FIX portal is linked to other portals in various business areas, such as at the Freudenberg subsidiary Vibracoustic, an automotive supplier of solutions that remove or reduce disruptive vibrations and vehicle noise. Users now have a consolidated view of relevant business developments, as well as access to personal data or project rooms. By being networked with partners, vendors, and customers, users can process or trigger workflows in the SAP enterprise resource planning software and follow developments in individual cost centers. Today, more than 300 Vibracoustic employees across the world use the portal. By 2005, around 1,500 users can benefit from the advantages of role-based access to information from a single entry point.

Among the current portal projects, one stands out: at Freudenberg-NOK, a U.S.-based Freudenberg subsidiary that manufactures automotive parts, around 2,000 employees work with SAP Enterprise Portal – in spite of the fact that the company does not run any other SAP software.

INCREASING RETURN ON INVESTMENT/ DECREASING COSTS

With several successful SAP NetWeaver implementations already completed, Freudenberg no longer has to reinvent the wheel for every project. It can also add new functionality easily, as needed, and react rapidly to new challenges and growth – and all for a fraction of the effort previously required.

"Our return on investment is increasing and the total cost of ownership is decreasing, both for individual companies and the group as a whole," Schlosser says.

This is all good news for Freudenberg, which is clearly pleased with the cutting-edge SAP technology. Says Roskopf, "The seamless integration of the SAP NetWeaver components enables us to achieve our strategic goals – improved communication within the group globally, integrated and faster processes, increased customer focus, and greater innovation. SAP NetWeaver is definitely more than the sum of its parts, and we are well equipped to face the future."

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