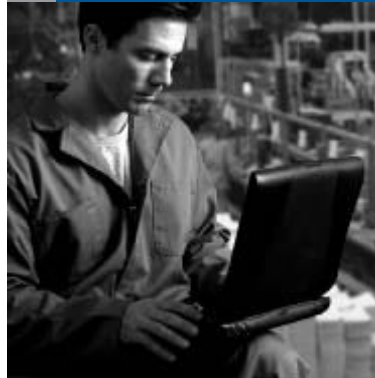


## SAP Customer Success Story Automotive



**ZF Trading**, a company that supplies motor vehicle spare parts to a logistical network comprised of 26 subsidiaries in 21 countries, turned to SAP as part of its strategic goal to optimize planning, control of stock, and flow of goods and deliveries. The company implemented SAP® Advanced Planner & Optimizer – a key component of mySAP™ Supply Chain Management – and as a result, it optimized its supply chain across the network.



## ZF TRADING

### OPTIMIZING THE SUPPLY CHAIN FOR BETTER CUSTOMER SERVICE

#### TWENTY-SIX SUBSIDIARIES IN 21 COUNTRIES

ZF Trading focuses on the motor vehicle spare parts market. As an independent unit within the technology concern ZF, the company supplies wholesalers and dealers throughout Europe, Asia, Oceania, and North and South America with clutches, shock absorbers, and parts for steering units and chassis, all made to OEM specifications. In addition, it also sells products in demand from other manufacturers.

#### REARRANGING MARKET SUPPLY AND FLOW OF GOODS

ZF Trading embarked on a mission to connect all its locations in a global logistical network using SAP® R/3®. The rollout to the individual international subsidiaries was, in fact, based on a model solution developed in 1999 for Great Britain. The globally uniform SAP software – which was easily adapted to accommodate country-specific requirements – helped the company optimize its supply chain at several levels and enabled it to offer superior customer service.

At the time of the SAP R/3 implementation, ZF Trading (then known as Sachs Handel GmbH) also decided to implement the SAP logistical planning and optimizing tool, SAP® Advanced Planner & Optimizer (SAP® APO) – a key component of mySAP™ Supply Chain Management (mySAP™ SCM) and now called SAP® Advanced Planning & Optimization. Together with SAP R/3, SAP APO enables companies such as ZF to more carefully plan and control the internal supply chain across various locations and international boundaries. In April 2002, the company introduced SAP APO at its German locations and since then has been gradually integrating other international subsidiaries into the network.

According to Rainer Scheuring, IT manager at ZF Trading, the company's main goal is to optimize stocks across the network; institute requirements-based availability checks for all locations; improve planning at customer warehouses; and adjust the market supply and flow of goods even more to customer needs.

### FOCUSING ON CUSTOMER NEEDS

Today, SAP APO provides ZF Trading with a supply chain management tool that helps it align demand planning much more closely with actual customer requirements. Plus, it can perform future requirements planning based on both historical data and market indicators. "All the measures are oriented toward further improving customer service and increasing customer satisfaction. The demand-driven stocking of the warehouses improves the level of service for delivering sales orders," says Stephan Freichel, managing director for supply chain services at ZF Trading. If an item is not available at one particular warehouse, SAP APO automatically refers to a warehouse that has the item in stock: Sales orders received via different channels – call center, fax, EDI, and

### AT A GLANCE

|                  |  |
|------------------|--|
| <b>User:</b>     | ZF Trading, independent company within the ZF Group  |
| <b>Project:</b>  | To optimize the internal supply chain  |
| <b>Software:</b> | SAP R/3, SAP APO (a key component of mySAP SCM), SAP® Business Information Warehouse (SAP® BW) |

online ordering – are automatically checked for availability. Rules-based substitutions are triggered if products are not in stock. This means ZF Trading now has the capability to greatly improve the replenishment process throughout its logistical network.

### PLANNING REPLENISHMENT PROCESSES USING SMI

In the near future, ZF Trading wants to implement supplier-managed inventory (SMI) to help plan and control the replenishment processes of its important customers. This means that customers will no longer need to carry out their own materials planning. It also will allow ZF Trading to guarantee delivery of goods to its downstream pipeline in the shortest possible time and at the lowest cost.