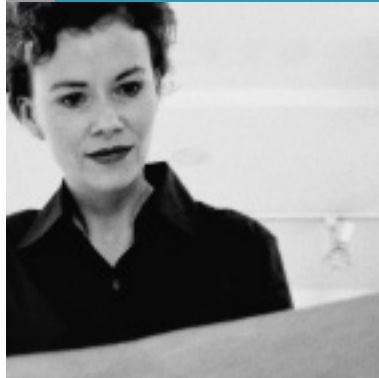


## SAP Customer Success Story

**“We consider SAP as the enabler of organizational change, according to ILTE’s way of doing business.”**

Giovanni Toso, Managing Director, ILTE



### AT A GLANCE

#### Company Name

ILTE  
(Italy)  
www.ilte.net

#### Industry

Printing – commercial, mass printing, and print-on-demand

#### Key Challenges

- Support company strategy in business process reengineering
- Integrate printing processes and IT systems
- Achieve reliable information and supply chain efficiency company-wide
- Provide reliable commercial price estimates to customers
- Reduce costs

#### Solution and Services

- SAP® R/3® (now available as mySAP™ ERP)
- SAP NetWeaver™: SAP Business Intelligence and SAP Enterprise Portal

#### Existing Environment

Mainframe systems

#### Implementation Highlight

Integrated SAP R/3 configurator with detailed print planning and scheduling

#### Key Benefits

- Fully integrated print processes and IT system
- Increased production efficiency
- Company-wide transparency

#### Hardware

IBM DB2

#### Operating System

- Linux for SAP R/3
- NT Intel for SAP APO

## ILTE

### SOFTWARE FROM THE SAP® FOR MEDIA SET OF SOLUTIONS HELPS ILTE INTEGRATE PRINTING PROCESSES, SLASH COSTS, AND INCREASE EFFICIENCIES COMPANY-WIDE

With revenues of €250 million, ILTE is Italy’s largest independent printing house and a leading player in the European commercial printing market.

Following the privatization of the company in 1998, ILTE launched a strategic business project based on two goals: reinforcing its position in the commercial printing segment and developing new lines of business in printing services and digital printing. In order to effectively pursue this strategy, the company initiated a project to reengineer its business processes – and chose SAP® software. “We consider SAP as the enabler of organizational change, according to ILTE’s way of doing business,” says Giovanni Toso, managing director of ILTE.

The company first implemented SAP R/3® software (which is now available as mySAP™ ERP) to update its information technology and provide integration, transparency, and efficiency across the company. ILTE later added SAP Business Intelligence (SAP BI) and SAP Enterprise Portal (SAP EP) – both components in the SAP NetWeaver™ platform.

## **OUT WITH THE OLD – IN WITH THE NEW FOR TRAILBLAZER IN PRINT TECHNOLOGY**

Considered a trailblazer in print technology, ILTE boasts a client list of Europe's most prominent publishers and retail chains. Its print output includes telephone directories, magazines, journals, and retail catalogs. In recent years, it has diversified its activities, propelling the company into prime position as Italy's foremost provider of mass printing and personalized print-on-demand solutions.

In 2000, while installing the latest printing machinery in an effort to improve productivity, ILTE became aware that the quality of its information technology did not match up. Giovanni Federici, chief information officer (CIO) at ILTE, explains: "One of ILTE's enduring goals is to improve both printing capability and supply chain efficiency. The lack of integration in our mainframe information systems was hampering our efforts with conflicting batch systems and poor response times. Time lags in data exchange meant unreliable order information. And the inconsistency in the data collected meant a lack of transparency across the company. It actually took us a whole month to monitor ILTE's performance and financial standing."

### **BALLPARK FIGURES**

Integration issues at ILTE were complicated by the increasing number of business transactions being carried out by so-called "in-house outsourcers"—companies employed by ILTE to take care of applications such as general ledger, payroll, shop operation, and inventory management. And the lack of transparency across the company was particularly noticeable when ILTE staff needed to create a customer order and decide on an appropriate price. With no reliable method for calculating the cost and profitability of the order, and insufficient information sharing between the different systems and business areas, pricing estimates were just that—estimations.

Competitive pricing and cost efficiency are the lifeblood of the print industry and ILTE is no different. The company pursues a stringent cost leadership strategy—each year increasing its printing capacity by 15% to 20% and decreasing costs by more than 10%. Federici elaborates: "Printing is a very competitive business. To consciously define the appropriate and competitive price, we need to rely on our figures. We have to be able to monitor our business quickly and easily. When decision making is a pressing issue every day, you can't afford to wait weeks to get the numbers."

On the road to greater integration and efficiency, ILTE embarked on its SAP R/3 implementation in September 2000. The company implemented standard SAP R/3 solutions for sales and distribution, controlling, purchasing, financials, materials management, plant maintenance, and quality management. In total, the various project phases were spread over a period of one and a half years. More recently, the company added SAP BI and SAP EP.

### **A MODEL OF EFFICIENCY**

Three years down the line, things are very different at ILTE, and the company's IT system is more than keeping up with its celebrated print technology. The print process is now integrated from start to finish—from the prepress proposal stage through to final production and distribution. Ninety percent of ILTE's staff use the SAP solution and most of the incoming and outgoing production data is automated.

Thanks particularly to the SAP R/3 variant configurator, ILTE can now generate accurate quotes and send fast, reliable estimates—providing customers with the right product at the right price—and protect ILTE's profit margins. Purchase orders are generated directly by the SAP system through the SAP R/3 variant configurator. Any changes that have to be made are reflected in real time and can be tracked across the entire printing process. This is especially important for the company's growing print-on-demand business where a high degree of customization is required at all stages.

## **SIGNIFICANT COST SAVINGS**

Perhaps the most significant benefit for ILTE is the reduction in the time it takes to monitor the company's performance. Federici explains: "Things are moving along at a great rate now. We get information so much more quickly and don't have the same data duplication problems. It takes just five days to monitor the company's standing and we know we can trust the figures. We now have the company very much in our control."

Federici is clearly impressed by the value SAP has brought to his company: "What we find most amazing is that we can go from a one-host system to a multiserver landscape, dramatically increase functionality, add more users – and still get significant savings in management information system costs. Our numbers are accurate and our costs are down – things couldn't be better."

**"Printing is a very competitive business. To consciously define the appropriate and competitive price, we need to rely on our figures. We have to be able to monitor our business quickly and easily. When decision making is a pressing issue every day, you can't afford to wait weeks to get the numbers."**

Giovanni Federici, Chief Information Officer, ILTE

At the same time, ILTE has made considerable IT cost savings. The cost of the software and a large part of the implementation project can be justified by the mere transition away from a mainframe system. On top of this, the introduction of standard processes and the integration of information has significantly contributed to the global restructuring plan of the company, which led to relevant savings in headcount and consequently in personnel costs.

Overall, the up-front investment in SAP software at ILTE has more than paid for itself. And, since 2003, ILTE has been using its SAP applications at its associated companies and suppliers, also providing outsourced implementation and application management services. So, the SAP solution not only acts as a cost-cutting agent and a fluid communication channel between businesses; it also acts as revenue generator.

[www.sap.com/contactsap](http://www.sap.com/contactsap)



**THE BEST-RUN BUSINESSES RUN SAP**

50 070 771 (04/10)

© 2004 by SAP AG. All rights reserved. SAP, R/3, mySAP, mySAP.com, xApps, xApp, SAP NetWeaver, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary. Printed on environmentally friendly paper. These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.