

SAP Customer Success Story



Stinnes AG plans to save €20 million by aggregating orders for indirect materials with the mySAP™ Supplier Relationship Management (mySAP SRM) solution. mySAP SRM lets authorized employees purchase from an electronic catalog of 100,000 items with point-and-click simplicity. Around 95% of all discrete purchase orders will be placed through the system. The company will benefit from shorter lead times, significant cost reductions, and improved terms from suppliers.

STINNES
Logistics



STINNES AG

mySAP™ SRM PROVIDES CLEAR FOCUS ON KEY SUPPLIERS AND DELIVERS SIGNIFICANT COST REDUCTIONS

A GLOBAL LEADER IN LOGISTICS

With sales exceeding €12 billion and a total of 44,000 employees, Stinnes AG is one of the world's leading logistics companies. The Stinnes Group, headquartered in Muehlheim an der Ruhr, Germany, includes Schenker AG, Europe's leading integrated road, rail, and sea transportation company; Brenntag GmbH, the global leader in chemicals distribution; and Stinnes Interfer, Germany's number one steel transportation specialist. Stinnes AG itself is a member of the Deutsche Bahn Group, and as such is responsible for all the national railway's transport and logistics activities. Stinnes uses financial accounting and logistics software from SAP at its international subsidiaries.

Stinnes wanted to streamline its procurement processes as quickly as possible. "We were determined to avoid a situation in which each subsidiary ran its own system for purchasing indirect materials, placing orders in isolation from the rest of the Group," explains strategic buyer and project leader Dietmar Janz from Stinnes AG. "For this reason, the stand-alone deployment of the mySAP™ Supplier Relationship Management (mySAP SRM) solution is ideal, providing a central procurement platform for all our international subsidiaries."

A SINGLE PLATFORM FOR ALL INDIRECT PROCUREMENT

Since 2002, mySAP SRM has supported Stinnes' procurement processes for office supplies and furniture, as well as factory and warehouse equipment, tools, and IT products. The e-procurement functionality of mySAP SRM has helped standardize purchasing processes across the enterprise, establishing a single, integrated systems platform for strategic sourcing and operational procurement. Dr. Hermann Kruse, CIO, Stinnes, explains the choice of vendor, "SAP is a reliable and future-proof partner." Kruse cites cost-effectiveness, scalability, and openness as key advantages of the SAP® solution.

At Stinnes, procurement is carried out by many different companies, units, and departments. In the past, when processes were not supported by a single IT system, procurement needs around the world could not be coordinated or combined to secure the best possible terms and discounts. There was no transparency across purchasing transactions, resulting in a lack of focus on key suppliers. The result was poor management of relationships with suppliers, one-off orders, and unnecessary costs. "With mySAP SRM, the entire procurement process will become more transparent," explains Janz. "A unified systems platform will increase visibility, and allow us to aggregate purchasing volumes to gain better prices."

"To minimize costs, we need to select the right suppliers and coordinate our purchasing requirements – by making the entire process fully transparent. mySAP SRM enables us to achieve our aims by providing an enterprise-wide procurement platform."

Dietmar Janz, Strategic Buyer and Project Leader, Stinnes AG

MULTISUPPLIER CATALOG OF OVER 100,000 ITEMS

Thanks to the expertise of in-house IT service provider, Stinnes-data-Service GmbH, as well as SAP Consulting and Wiscore GmbH, a software developer, the new platform went live within just six months. The entire procurement process is now managed by SAP Enterprise Buyer, the core purchasing component of mySAP SRM. All orders and subsequent process steps, such as goods receipt, are handled using this stand-alone deployment of mySAP SRM. Accounting tasks will continue to be modeled by the integrated SAP R/2® and SAP R/3® back-end systems operated by Stinnes' departments and subsidiaries.

Around 350 employees currently benefit from the platform in Germany. Once they have been given the appropriate access rights, they will be able to order goods via the multisupplier catalog using hierarchical search functions. The catalog comprises more than 100,000 items from 20 suppliers. All orders are subject to a workflow-driven approval process, which follows predefined maximum values and other business rules for particular product categories. Procurement professionals can also enter free-text orders for items and services not predefined in the catalog. A variety of reports can be generated on demand to provide a comprehensive view of orders and volumes, as well as statistics related to cost centers, suppliers, and product type.

OPTIMIZATION ON ALL LEVELS

Stinnes' investment has clearly paid off and the group will roll out the new solution to more European countries from 2003 onwards. mySAP SRM has laid the foundation for category management on the basis of standardized enterprise-wide rules, as well as improved selection and management of suppliers. It also leads to significant price reductions (through bulk orders), to accelerated lead times, and to lower inventories and process costs. According to Janz, quality also plays a key role, "We can now negotiate contracts exclusively with our most reliable suppliers. In addition, we have simultaneously increased the autonomy and satisfaction of our employees, while tightening control over purchasing behavior."

AT A GLANCE

Customer	Stinnes AG, a leading international logistics service provider
Project	Introduction of standardized groupwide procurement processes
SAP® solution	mySAP™ Supplier Relationship Management
Implementation time	6 months
Components	SAP Enterprise Buyer
Deployment	Stand-alone
Hardware	IBM, Fujitsu Siemens Computers, and Compaq servers
Operating systems	IBM AIX and Microsoft Windows NT
Users	Approximately 350 users in Germany; to increase after European roll-out

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