



NORD DRIVESYSTEMS GROUP

55+ MILLION CONFIGURATIONS AT CUSTOMERS' FINGERTIPS

QUICK FACTS

Industry

Industrial machinery and components

Revenue

€400+ million

Employees

2,800

Headquarters

Bargteheide, Germany

Web Site

www.nord.com

SAP® Solutions and Services

SAP® ERP application, SAP NetWeaver® Business Warehouse component, SAP Business Explorer tools

The NORD DRIVESYSTEMS Group is one of the world's leading manufacturers and suppliers of drive solutions. Using the SAP® ERP application, a request for a customized product is confirmed within seconds. The availability of capacities and materials is determined online across sites. The on-time delivery performance of almost 100% is very well received by the market.

Key Challenges

- Deliver to the satisfaction of demanding customers who increasingly call for tailored solutions
- Manage the tremendous growth in the number of product configurations
- Maintain excellent delivery performance and fast delivery cycles
- Increase efficiency in order management to support global expansion and revenue growth

Implementation Best Practices

- Implementation template for a fast rollout to subsidiaries
- Readiness for rollout at 35 subsidiaries, with some 1,500 users worldwide

Financial and Strategic Benefits

- Enhanced customer retention thanks to fast responses
- Large proportion of recurring orders from existing customer base

Why SAP Was Selected

- Efficient and powerful standard software
- Support for mapping complex requirements of product configurations
- Well-established standard industry software to shorten learning curve for new staff

Low Total Cost of Ownership

- Single software instance, serving all major subsidiaries worldwide
- Support for all required languages and currencies
- Scalable solution for further growth
- Standardized software suitable for outsourced operations and maintenance
- Regular software enhancements and extension of functionality

Operational Benefits

- Confirmed customer orders within seconds and allocated to production sites
- Gained ability to share manufacturing capacities across regions
- Achieved almost 100% in global delivery performance
- Attained ability to answer 90% of queries with a single click from intelligent cockpits developed in-house



“Our increasing success is driven by customer satisfaction. That’s why we are committed to delivering on customer expectations – no matter what. We’re able to instantly respond to customer requests and we keep our promises.”

Thomas Niemann, Head of Global SAP Systems, NORD DRIVESYSTEMS Group

www.sap.com/contactsap

Competitive Business Growth

Germany-based NORD DRIVESYSTEMS Group (NORD) manufactures and markets mechanical and electronic drive components for use in equipment such as harbor cranes, retractable roofs of large sports stadiums, luggage conveyor belts at major airports, and ski lifts. The company generates almost €400 million in annual revenue, employs 2,800 staff, operates 35 subsidiaries, and has a business presence in over 60 countries.

Customer satisfaction is a key success factor, and NORD continuously seeks to increase customer satisfaction. This is to be achieved through instant responses to customer requests plus reliable delivery date forecasts. Today, the group’s customers worldwide are obviously very satisfied with NORD’s performance; they keep coming back for more.

Speed and Responsiveness

NORD has around 55 million drive configurations in its product portfolio. Despite the implementation of a standard, NORD is able to maintain a strong customer focus. Today, NORD draws on the variant configuration functionality in the SAP® ERP application that facilitates the creation and management of a rapidly growing number of product configurations. Confirmed within seconds at runtime, each customer order is allocated to the production sites that have sufficient capacity and materials at hand to manufacture the order on schedule. This integrated approach enables NORD to manufacture and deliver at unprecedented speed.

Increasingly, urgent customer orders are completed and delivered within the same business day.

Complexities of Global Business

The solution serves to master the complexities of global business – including planning, logistics, order execution monitoring, and billing. For instance, a customer order from China may incorporate a motor built in Italy and a matching set of drive components from Germany, to be shipped to China for assembly and delivered from the manufacturing site in China. The software is able to map intraplant cost accounting that can handle this complexity.

The proportion of configured products amounts to 93%, while variation in material is as low as 3%. At the same time, customers demand smaller delivery windows – and the ability to deliver within these windows is critical to continued customer satisfaction.

Superior Customer Service

NORD often receives service requests relating to products that were manufactured more than 20 ago. Thanks to software-supported documentation, the company can keep track of spare parts even for older drives that have been transferred to less developed countries. When a customer requests a spare part, the corresponding product configuration can be retrieved in an instant, supporting quick shipment of the right part to the right destination.

Insight and Transparency

Today, NORD employees at all levels are able to answer 90% of the business-related queries they receive with a single click from intelligent information cockpits. Developed in-house and integrated with SAP ERP, these cockpits provide the rapid responsiveness other companies can only dream of. Additionally, the company has streamlined the consolidation of its SAP and non-SAP data with the SAP NetWeaver® Business Warehouse component for enterprise-wide reporting using SAP Business Explorer tools within the front-end software.

Moving Forward

NORD fully relies on SAP software and is in the process of rolling out its SAP software templates to all of its subsidiaries. A second manufacturing site, to be opened in due course in China, will be integrated with the SAP software.

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