



HENKEL

SHARING PRODUCT INFORMATION SAFELY AND EFFICIENTLY

QUICK FACTS

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Christiane Werth, Business Project Lead,
Henkel AG & Co. KGaA

Company

- Name: Henkel AG & Co. KGaA
- Location: Düsseldorf, Germany
- Industry: Consumer products
- Products and services: Development, manufacture, and sale of adhesives, laundry care products, household cleaners, cosmetics, and personal hygiene products
- Revenue: €13.6 billion
- Employees: 50,000
- Web site: www.henkel.com

Challenges and Opportunities

- Enable legally compliant document sharing with external manufacturing partners
- Create a single version of the truth

Objectives

- Create and distribute product dossiers electronically
- Help ensure comprehensive control of communication

SAP® Solutions and Services

Collaboration Folders (cFolders) application

Implementation Highlights

- Near-standard implementation with some extensions
- Integration of recipe management
- Going live incrementally in all business areas and regions

Why SAP

- Existing use of SAP® software as standard company platform
- Intuitive user interface
- Web-based access to product dossiers

Benefits

- Sustainability in day-to-day operations
- Product information available more quickly and simply
- Reduced expenditure on paper, office supplies, printing, and postage
- Major savings in time and effort thanks to electronic document transfer
- Creation of more product dossiers by the same number of employees
- A tracked dossier recognition process

Existing Environment

SAP Product Lifecycle Management application



High-quality brand-name products are the pillars of the enduring market success of Henkel AG & Co. KGaA. To ensure its products are always manufactured to the same high standard, the company must be able to document the entire lifecycle of each product in detail and rely on error-free communication with external manufacturing partners. It implemented the Collaboration Folders (cFolders) application and integrated it with the SAP® Product Lifecycle Management (SAP PLM) application in order to enable comprehensive, transparent document sharing.

Founded in 1876, Henkel has an extensive product portfolio that ranges from laundry care and household cleaning products through consumer adhesives to brand-name cosmetics and toiletries. Brand names include Pritt, Pattex, and Ponal; Persil, Ata, and Pril; and Fa, Schauma, and Taft. The company's 50,000-strong workforce also manufactures industrial adhesives for vehicles, aircraft, furniture, and shoes. Being the undisputed world leader in this field, Henkel generates half of its €13.6 billion annual revenue through the sale of adhesives and sealants. Its other business areas, cosmetics and toiletries along with laundry and home care, contribute 25% each to the company's overall sales volume.

Henkel cooperates with more than 150 external manufacturing partners to ensure that it can continue delivering its extensive range of goods. These subcontractors are responsible for

manufacturing individual Henkel products according to precise specifications and quality guidelines that are set out in a separate product dossier for each article. These product dossiers contain all the information that a subcontractor needs to manufacture products that meet Henkel's requirements for quality and appearance. These include bills of material; recipes; descriptions of the raw materials, packaging materials, and quality controls; stacking instructions; and information about product labels. Each product dossier contains up to 50 documents.

Making the Most of Synergies

"Any errors in the product dossiers could have serious consequences for the manufacturing process," says Christiane Werth, business project lead at Henkel. "For example, a pair of transposed digits could mean that a subcontractor uses the wrong raw

material." Apart from requiring complete and accurate information in its product dossiers, Henkel also needs to be able to seamlessly trace the dossiers it sends to its subcontractors. With these objectives in mind, the company switched its document-management and document-sharing processes to cFolders and integrated the solution with SAP PLM. This decision was a simple one, says Werth. After all, Henkel's entire solution landscape is based on SAP software, and the company is very happy with the stable and powerful SAP applications.

Henkel began by implementing cFolders at its Düsseldorf headquarters and then rolled out the application incrementally to other business areas and regions around the world. While staying close to the standard software delivery overall, Henkel also implemented a number of extensions, notably when it connected up its cosmetics division to cFolders. For example, it achieved a key milestone by directly integrating recipe and raw materials management. Because the recipe data for all Henkel products was already stored in SAP PLM, it was available for use immediately, making it much easier to implement cFolders on a global scale. For example, hair spray recipes for the Australian market were already stored in SAP PLM and were simply transferred over to cFolders. Thus, Henkel has profited from the synergies offered by integration with SAP PLM.



“The paperless dossiers we have created for the 8,100 products manufactured externally have enabled us to save about €240,000.”

Christiane Werth, Business Project Lead,
Henkel AG & Co. KGaA

Replacing Paper

Another key benefit of cFolders is that it has completely eliminated the need for paper. Before, Henkel's product information clerks would have to find the relevant pages in a dossier, print them out, staple them together, and place them in an envelope. Now, the clerks automatically extract all the documents relating to a dossier from the connected SAP solutions via cFolders. Envelopes, stamps, and a cover letter are no longer required. The subcontractor concerned simply receives an e-mail notifying him or her about the new dossier. And instead of taking several days to reach an international destination, the dossier

each step is automatically documented. Personnel at Henkel's headquarters decide when to release a product dossier to an external manufacturer. The subcontractors confirm that they have received the dossier and that they agree with its content. The application automatically records the date and time at which the manufacturer received the dossier and requests confirmation.

The adhesives technology business area was the first to implement cFolders, closely followed by the cosmetics and laundry care divisions. The majority of cosmetics products and toiletries that are manufactured by subcontractors across the world have now been entered

new application has been consistently positive. According to Werth, this is because the solution is easy to operate and makes everyday tasks much simpler. Henkel's subcontractors are also feeling the benefits. Apart from having to make fewer product-related inquiries, they are profiting from electronic documents, a reduced paper volume, and the automated confirmation process. “And best of all,” adds Christof Jung, IT project lead at Henkel, “our subcontractors do not have to invest anything to gain Web-based access to their product dossiers. All they need is an Internet connection and a PDF reader.”

Integrating More Regions and Functions

In the coming months, Henkel plans to roll out cFolders to other locations in the laundry care division and help ensure that changes made to one document are automatically available in all the other dossiers. If, for example, the storage temperature for a raw material changes, the product information clerks currently have to modify each product dossier separately. With the help of an extension for cFolders, they will be able to consolidate the new information automatically across all the relevant dossiers.

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Christof Jung, IT Project Lead, Henkel AG & Co. KGaA

is available to the recipient in a matter of seconds. cFolders is therefore making a major contribution toward turning the vision of sustainability into an everyday reality.

Lower Costs, Better Security

cFolders is also helping Henkel save time and money. “The paperless dossiers we have created for the 8,100 products manufactured externally have enabled us to save about €240,000,” says Werth. The solution also guarantees a high degree of security because

in cFolders, and the new application is being used by the laundry care division in both Germany and Spain. “In our cosmetics division alone, we've produced almost 3,000 dossiers since going live. We can now create four times as many product dossiers in the same period of time – with the same number of employees,” says Werth.

Easy to Operate

Although Henkel's product information clerks had to adjust their working methods considerably, their response to the

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