

SAP Customer Success Story High Tech – Electronic Manufacturing Services



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Gunther Beinhoff, Manager, Supply Chain Management and Systems Optimization, Zollner AG

AT A GLANCE

Summary

Zollner AG is a leading German provider of electronic manufacturing services. It employs approximately 5,000 people at 12 locations in Germany, Romania, Hungary, and a newly opened production facility in China. To accommodate rapid growth, Zollner turned to the state-of-the-art mySAP™ ERP solution.

Web Site

www.zollner.de

Key Challenges

- Improve efficiency, flexibility, and responsiveness
- Integrate financials and logistics applications
- Integrate internal systems with those of suppliers and customers
- Enable fast, well-informed decision making

Project Objective

Replace outdated legacy system with a scalable, high-performance IT environment, enabling global business expansion

Solution and Services

mySAP ERP solution

Why SAP® Solution

- Global presence
- Comprehensive, standard functionality precluding need for third-party solutions
- Strong presence in business community
- Little or no need for customization
- Close link to SAP development experts

Implementation Highlights

- A phased implementation
- Excellent user acceptance

Key Benefits

- Greater ability to communicate with customers and suppliers
- Streamlined, integrated processes, leading to greater efficiency
- Improved data quality and transparency, enabling enhanced decision making
- Ability to expand functionality without increasing personnel costs

Implementation Partners

- T-Systems, an SAP partner
- SAP® Consulting

Existing Environment

Legacy business software

Database

Oracle

Hardware

IBM pSeries

Operating System

UNIX (AIX)

ZOLLNER AG

mySAP™ ERP Paves the Way to a Bright Future

For a contract manufacturer, flexibility and integration are key requirements, especially in the electronics business. “Integration is a primary concern for us,” says Gunther Beinhoff, head of the supply chain management and systems optimization department at Zollner AG, a leading German provider of electronic manufacturing services. “In our industry, being able to interface directly with our customers and suppliers and to respond quickly is of vital importance.” And this is why SAP® software remains a vital part of the company’s strategy for continuous growth.

In fact, Zollner has been expanding at a breathtaking pace and is expecting double-digit growth figures in the coming years. The company, headquartered in eastern Bavaria, currently has approximately 5,000 employees at 12 locations in Germany, Romania, Hungary, and a newly opened production facility in China. Zollner serves a wide range of industries and generates annual revenues of €400 million. With customers that include leading high-tech companies, Zollner offers a comprehensive range of services from development and design to serial production, after-sales service, and repair. A long list of prestigious awards demonstrates Zollner’s uncompromising commitment to quality and excellence.

The Challenges of Growth

A few years ago, Zollner’s senior management realized that its legacy business software was reaching its limits. To maintain the company’s excellent reputation and establish a new basis for further growth, Zollner needed to invest in a state-of-the-art enterprise resource planning (ERP) system. The company identified performance, integration, scalability, speed, data integrity and

transparency, as well as streamlined planning as critical requirements. “Our legacy financial and logistics systems were not integrated,” reports Beinhoff. “Also, we had no EDI interfaces with our customers’ systems. That became a problem, especially in regard to our interaction with the automotive industry.” Beinhoff and his team began defining the exact needs of the company, setting up a detailed road map for implementing a comprehensive new IT environment.

Proven Performance, Global Presence

When it came time to make the switch from its legacy environment, the company chose SAP from an initial list of 12 companies. “What ultimately convinced us that SAP was the right choice was its excellent reputation and the scale of its resources,” recalls Beinhoff. In addition, the majority of Zollner customers and suppliers were already using SAP software, which would enable Zollner to eliminate costly manual interfaces and ensure streamlined business processes. Zollner also liked the fact that SAP could offer support almost anywhere Zollner decided to establish a presence. In addition, because the mySAP™ ERP solution covered the entire range of its requirements right “out of the box,” the company could eliminate the need for customization, third-party solutions, and costly interfaces.

Ambitious Project

The project was an ambitious one: Zollner not only needed new business software but also an entire hardware infrastructure to support it. The company enlisted the help of T-Systems, a division of German telecommunications giant Deutsche Telekom and an SAP partner, to manage this task.

First and foremost, though, Zollner needed to replace its legacy software. Together, members from SAP Consulting and T-Systems initially focused on the mySAP ERP finance and controlling capabilities. The next step will include implementing functionality for logistics, sales, purchasing, as well as production and materials requirements planning. The team will first implement the solution at all German locations simultaneously, with a subsequent rollout planned for Romania and Hungary. In the final phase, the team plans to implement components from the SAP NetWeaver® platform – including SAP NetWeaver Business Intelligence,

SAP NetWeaver Portal, SAP NetWeaver Exchange Infrastructure, and SAP NetWeaver Application Server – at the Germany sites. (SAP NetWeaver is part of the mySAP ERP contract package.)

Eventually, around 1,000 Zollner employees will be using the SAP solution.

A Bright Future

As its mySAP ERP rollout progresses, Zollner can look ahead with optimism, relying on solid support from SAP wherever necessary. “Everything that was presented to us during the selection process has happened,” Beinhoff comments. “Any initial skepticism on the part of the users has vanished. Our employees are very enthusiastic about the new system.” Beinhoff’s team members also appreciate being able to communicate directly with the SAP development experts through their SAP account executive.

As a rapidly expanding company, Zollner can now profit from significantly improved performance and efficiency in its finance and controlling departments. “Our new mySAP ERP solution enables our staff to keep up with the growth of the enterprise and even adopt new functions without us having to hire additional personnel,” says Beinhoff. At the business management level, mySAP ERP reporting capabilities have opened up new horizons for business-critical decision making, thanks to structured, real-

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time insight into business data. For a company whose success depends on responsiveness to its customers, this data transparency is imperative.

All in all, Zollner feels it made a good choice. “We are very happy with our new mySAP ERP solution,” Beinhoff comments. “We got exactly what we envisioned.”