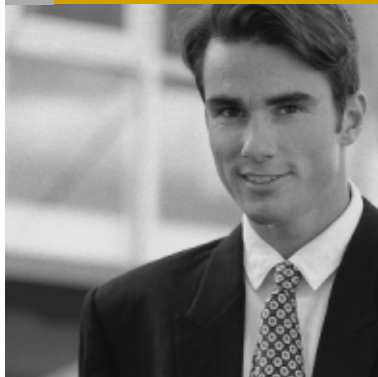


SAP Customer Success Story



The introduction of SAP BW has enabled **FAG Kugelfischer Georg Schäfer AG** to improve its internal flow of information and to create a sound basis for its Group reporting procedures. Using this solution, the leading manufacturer of roller bearings, with 70 sales and production companies throughout the world, took just 3 months to lay the foundation for further data warehouse applications within the Group. By the end of 2000, for example, a comprehensive management information system will be in place.

FAG



KUGELFISCHER **GEORG SCHÄFER AG:** **IMPROVED FLOW OF** **INFORMATION AT** **INTERNATIONAL ROLLER** **BEARING GROUP**

For around 100 years FAG Kugelfischer's core business has been the production of roller bearings in all shapes and sizes as well as applications. Without roller bearings, no wheel would turn, no plane would fly and no machine would run. NASA, for example, has been relying exclusively on precision-made roller bearings from FAG Kugelfischer for more than 40 years. By creating innovative solutions for thousands of customers from all branches of industry, FAG Kugelfischer's 17,000 staff achieved sales of € 1.9 billion in 1999 – three quarters of which came from abroad. "Our products, sales structures and customer relationships make high demands on our Group reporting procedures, which have to react flexibly and quickly to change", explains W. Jürgen Schmitt, Head of IT at the FAG Group, referring to the need for a powerful data warehouse solution.

SAP R/3 IS THE GLOBAL GROUP PLATFORM

The introduction of SAP BW is intended as part of a long-term IT strategy based on SAP® solutions. “For business management and communication, we rely on SAP”, explains IT chief W. Jürgen Schmitt. Since 1993, FAG Kugelfischer has systematically harmonized the company’s heterogeneous IT structures, which have grown up over the years. This was done to harness the potential savings and process improvements made possible through the use of modern software applications. Today, all of the Group’s key companies use SAP R/3®. In accounting, FAG has developed an accounts framework which – apart from adaptations required by local legislation – is used as standard worldwide. “The homogeneity of the base platform is vital for the success of our current and future projects, just as it is for our production activities,” explains W. Jürgen Schmitt, referring to both SAP BW and other productive and planned applications forming part of an e-business solution using the mySAP.com platform.

“As far as the speed and quality of our reporting are concerned, we have made considerable progress in a very short space of time”

Edgar Binnemann, Finance Director of FAG OEM und Handel AG

SMOOTH START

Since the Group’s reporting activities went live with SAP BW in December 1999, after just three months of project work, the quality of data has improved significantly. The monthly reports on sales categorized according to corporate sector and subsidiaries are now being fed accurately into the Group’s reporting infrastructure and ensure greater transparency of data. What is more, the latest data from all the companies is collated within the framework of the market reporting process, all thanks to SAP BW. “As a company operating on dynamic markets, our reporting procedures must also be dynamic and flexible enough to adapt to our requirements,” summarizes W. Jürgen Schmitt. “With SAP BW, we have integrated our companies step-by-step into the Group’s reporting procedures, so as to create greater transparency and with it a basis for making well-informed decisions.” To facilitate this process, SAP BW draws data from around 35 SAP R/3 source systems, from one SAP R/2 system which will remain in use until the middle of 2001, and a few non-SAP systems.

SATISFIED USERS

At FAG Kugelfischer, around 120 managers and controllers worldwide are currently benefiting from the enhanced insight into how the individual corporate sectors and companies are placed during the current fiscal year in terms of sales and market position. “As far as the speed and quality of our reporting are concerned, we have made considerable progress in a very short space of time,” says Edgar Binnemann, Finance Director of FAG OEM und Handel AG, the largest individual company in

the Group. Users particularly appreciate SAP BW's ease of use. "The training requirement was amazingly low – just one day was all we needed!", states W. Jürgen Schmitt. Essentially, he explains, the training is based on "learning by doing". To make even more advances in management reporting, FAG Kugelfischer is currently considering the introduction of a Management Cockpit. The Management Cockpit is a component of SAP Strategic Enterprise Management (SAP SEM) and provides management with all the company figures it needs to make decisions quickly, and at a glance.

"Our data is available for all decision-makers, is highly transparent and is of excellent quality. This represents a sound basis for making decisions."

W. Jürgen Schmitt, IT chief

EXPERTISE FOR FURTHER PROJECTS

Encouraged by its experience from the Group reporting project, FAG Kugelfischer embarked on another SAP BW project in March 2000. This project involved a comprehensive management information system which, from the end of 2000, will enhance the amount of information available to around 300 managers and controllers from the holding company, the corporate sectors and their domestic and overseas companies.

These enhancements will take the form of:

- Status reports on production activity and inventory reports
- Weekly urgent reports
- HR reports
- Investment status and bank financing reports, plus
- Analyst reports.

To do this, FAG Kugelfischer is also using SAP BW's Business Content. This includes pre-defined, industry-specific reports and analysis scenarios. "Business Content saves us from doing our own programming, saves costs, and helps us to cut the project runtime significantly," states W. Jürgen Schmitt.

"WE'VE GOT FASTER"

For FAG Kugelfischer, SAP BW represents a strategic solution for a whole host of applications in the field of information management and data warehousing. At the current time, FAG Kugelfischer's IT team is working alongside experts from the outsourcing partner IBB, a subsidiary of IBM, on a data warehousing architecture for the entire Group. This is because, using SAP BW, opportunities can be harnessed in virtually all corporate sectors which bring the company closer to customers and their needs. And the benefits of SAP BW are already being felt in competitive advantages - for example in time saved in Group reporting processes. "We've got faster", says W. Jürgen Schmitt, describing the company's progress. "Our data is available for all decision-makers, is highly transparent and is of excellent quality. This represents a sound basis for making decisions."

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