

SAP Customer Success Story



Philips Lighting, a leading manufacturer of lamps and lighting fixtures worldwide and a satisfied user of mySAP™ Business Suite, needed a better way to integrate SAP® and non-SAP systems within its IT landscape. By implementing SAP Exchange Infrastructure, a technology solution of the SAP NetWeaver™ technology suite, **Philips Lighting** now has an efficient, reliable, flexible, standards-based product for enterprise-application integration that helps integrate business processes.

PHILIPS



PHILIPS LIGHTING

DELIVERING SEAMLESS ENTERPRISE INTEGRATION WITH SAP® EXCHANGE INFRASTRUCTURE

With more than 2.4 billion incandescent lamps produced every year, Philips Lighting brightens the lives of millions of people around the world. Philips Lighting offers a full range of creative and cost-effective lighting solutions, including incandescent and halogen lamps, compact and normal fluorescent lamps, automotive lamps, high-intensity gas-discharge lamps, electronic and conventional ballasts, and lighting fixtures. The company maintains a global presence with some 47,000 people employed worldwide and manufacturing operations located in Europe, North and South America, and Asia.

One reason for Philips's leadership position in the global lighting market is its ability to implement effective business solutions within a robust global IT infrastructure. Recently, however, it faced a new challenge: how to better integrate an even wider range of both SAP® and non-SAP systems within its IT landscape. To do that, the company needed a solid, flexible, standards-based product for enterprise-application integration (EAI). That's when it decided to implement SAP Exchange Infrastructure (SAP XI), a technical solution of the SAP NetWeaver™ technology suite.

CREATING AN INTEGRATED LANDSCAPE

Philips Lighting has four business groups with activities in Europe: Lamps, Luminares, Automotive, and Lighting Electronics. For the past five years, Philips has been implementing SAP business solutions for these groups for all of its factories and sales organizations in Europe and Eastern Europe. "We have a very extensive suite that includes mySAP™ ERP, mySAP Customer Relationship

Management, SAP Advanced Planning and Optimization, SAP Business Warehouse, along with SAP solutions for Internet and mobile sales and e-business procurement,” says Paul van der Poel, IT architect and information planner for Philips Lighting’s

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Paul van der Poel, IT Architect and Information Planner,
Philips Lighting’s Lamps Group, Europe

Lamps group in Europe. “The SAP system used by the business group Lamps Europe supports about 50 operational sites with 7,000 users spread across Europe.”

At the time that Philips began implementing SAP, the highest priority was to get its systems operational as quickly as possible for a variety of individual business areas. “To accomplish that, the business units created their own separate SAP environments, tuned to their specific business processes,” says van der Poel. “For example, the main business of our Lamps group was the mass production of standard lamps. The Luminaires group had very different requirements, and requested functionality for its commercial-project processes that the Lamps group didn’t need. Today’s situation is changing. We need to improve integration among all of these separate systems and around the interfacing and the middleware available to do that.”

Philips Lighting recognized that its IT environment had become increasingly complex and more difficult to integrate and that one of its third-party integration tools currently in place didn’t provide the necessary flexibility and features. The tool’s closed proprietary design lacked open standards, requiring a tool-specific technical skill set, and it had fewer monitoring capabilities. Philips Lighting needed a solution that went beyond simply mapping data.

“The kind of data that we are working with comes from not just SAP systems but from other systems as well,” explains van der Poel. “We have sites with local systems, such as manufacturing execution systems that schedule our production lines. This involves factory production data and master data that we exchange with other systems.”

The existing middleware also had limitations that impacted the company’s goal for seamless integration with SAP business solutions. “The middleware didn’t offer any solutions to convert our SAP IDOC data to XML and vice versa,” says van der Poel. “It didn’t have the kind of monitoring and tracking capabilities we needed. It was not flexible or based on open standards. For example, you could import XSD schema definitions into its proprietary data-type structure, but not the other way around. We didn’t think this strategy would still meet our future needs.”

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Paul van der Poel, IT Architect and Information Planner, Philips
Lighting’s Lamps Group, Europe

ADVANTAGES OF A BETTER TOOL

Philips Lighting realized clear benefits could be gained by choosing SAP XI as its EAI solution.

“The big challenge in terms of data integration is handling multiple systems in different locations,” says van der Poel. “You need a good integration tool to do that. With SAP XI, we could get much more functionality to control interfacing with our SAP

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systems as well as our non-SAP systems. And, having a single, open integration platform from SAP, the same company that provides our business solutions, leverages our existing know-how and reduces our total cost of ownership.”

But, that’s not all. “SAP XI supports new XML-based standards and tools, and helps us to standardize middleware components,” says van der Poel. “Plus, our existing middleware data mapping can be incorporated in SAP XI, giving us a migration path to convert them to standard XSLT data mappings.”

SAP XI also works well to communicate with non-SAP systems of other organizations without SAP XI. “We think SAP XI is quite effective in terms of data integration with non-SAP systems and other middleware solutions,” says van der Poel. “For example, I can place an SAP XI adapter at the site that I want to connect to, and this adapter enables us to integrate with other applications and middleware solutions at the site. It’s very easy to install and requires very little expertise. I can simply distribute the adapter

software by e-mail and instruct the technical people how to install it, and they get it running and tested within a day or two. This is a very attractive solution because it requires limited investments and resources at the site you communicate with. These non-SAP systems can be in one of our local factories – for example, a manufacturing execution system for scheduling production lines.”

Maintaining and monitoring the connection is efficient, since it can be done remotely from a central environment. The information exchange can be monitored, along with what’s happening in the adapter. “In other words, I have end-to-end monitoring and control within my SAP XI environment,” says van der Poel.

LOOKING TO THE FUTURE

Philips Lighting sees a viable way to introduce SAP XI into its IT Infrastructure as the key component for application integration. “SAP XI gives us the tools to set up a controllable migration path,” says van der Poel. “For a global company our size, we know we need to take time to do this. It’s not done overnight, but you can do it effectively with SAP XI.”

Philips is also evaluating SAP XI as an EAI tool for other product divisions of the company, as well as the corporate center. “SAP XI provides companies with seamless integration with their SAP systems, reduces maintenance costs, and enables better monitoring,” says van der Poel. “We think that by introducing SAP XI into our Philips Lighting IT infrastructure we can anticipate all of these benefits. We’ve seen how SAP XI is more transparent and provides a better path to the future. SAP XI is the best way to integrate across SAP systems and to connect SAP systems to non-SAP systems. That’s been our experience.”

SAP NetWeaver integrates and aligns people, information, and business processes across technologies and organizations. It gives companies the power to adapt quickly to change. It ensures that mission-critical business processes are reliable, secure, and scalable, and helps companies get more from their current software and systems. SAP NetWeaver unifies integration technologies into a single platform and provides preconfigured business content, reducing the need for custom integration. It is based on open, standard technology and is interoperable with commonly used technologies such as Java 2 Platform, Enterprise Edition (J2EE), Microsoft .NET, and IBM WebSphere.

About SAP NetWeaver™

The SAP NetWeaver technology suite provides an open integration and application platform that reduces total cost of ownership across the entire IT landscape. It is the technical foundation of the mySAP™ Business Suite family of business solutions, SAP® xApps™ composite applications, and other general-purpose and industry-specific applications from SAP. SAP NetWeaver also is the technical foundation for Enterprise Services Architecture, the SAP blueprint for solutions based on Web services.