

SAP Customer Success Story Financial Services



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Thomas Büsch, Managing Director and Head of IT, LHI

AT A GLANCE

Summary

LHI Leasing, a midmarket financial services and real estate management company, used SAP® Consulting and the Enterprise Services Architecture blueprint to create a road map for adding speed and flexibility to its IT landscape.

Web Site

www.lhi.de

Key Challenges

Support an increase in the variety and complexity of LHI's products and business processes while also providing tangible short-term benefits to current users of the company's evolving IT infrastructure

Project Objectives

Develop IT blueprint that supports the need for increased flexibility of the products LHI offers its customers, thus helping the company differentiate itself from the competition and ensure faster time to market

Solutions and Services

- mySAP™ ERP solution
- SAP NetWeaver™ platform, including the SAP Enterprise Portal component

Why SAP Solution

- Enterprise Services Architecture vision is the IT foundation for more open and flexible business processes.
- SAP Consulting has extensive expertise in Enterprise Services Architecture, LHI's existing SAP-based applications, and SAP NetWeaver.
- SAP Consulting's process creates a meticulously outlined road map – a multiyear plan for evolving business processes and IT infrastructure.

Implementation Highlights

- Flexibility of SAP Consulting in adapting to LHI's technical, process, and organizational needs
- Creation of road map in just a few weeks

Key Benefits

- SAP Consulting's road map will help LHI evolve existing IT infrastructure in a user-centric manner.
- LHI's back-office administrative and business processes will be streamlined, saving the company time and money.
- LHI will gain the ability to efficiently change standardized contracts and combine its business products.
- Employees and management will gain access to knowledge management and collaboration tools, as well as to a portal for human resources administration.
- Customers will more easily communicate with the company through customized portals.

Implementation Partner

SAP Consulting

Existing Environment

SAP R/3® software, functionality available today in mySAP ERP

Database

Oracle

Hardware

HP, Intel

Operating System

Microsoft Windows

LHI LEASING

SAP® Consulting Helps German Leasing Company Create a Synchronized IT Road Map for Its Future

LHI Leasing, a financial services and retail real estate leasing company based in Munich, Germany, manages 1,600 virtual corporations with combined assets worth more than €16 billion and has 250 employees. When LHI decided to dramatically increase flexibility in the kinds of products it offers customers and also differentiate itself from the competition by being faster to market, the company turned to SAP® Consulting and its Enterprise Services Architecture blueprint as the solution.

New Directions: Different Markets

For the past 20 years, LHI has excelled at providing real estate leasing contracts especially for large department stores in Germany. But now its business is moving into the middle market, and the company is even offering highly standardized leasing contracts to small companies. At the high end of the market, however, leasing and asset management now requires an increasing variety and complexity of financial products (for example, structured financing). Both LHI's business processes and its IT infrastructure must evolve to better support the business. For example, LHI's future IT landscape has to take into account the following factors:

- Standardized contracts must be more quickly updated, changed, and combined with other business products for maximum competitive advantage.
- Contracts remain in the system for 10 to 15 years, and annual balance sheets need to be processed efficiently for the life of the deal.
- Any evolution of IT infrastructure must build credibility quickly and provide tangible benefits to users in the short term.

Business Goals and IT Challenges

LHI needed to support two different kinds of businesses. The first type of business is supplying customized and complex financing for the retail sector. LHI must have access to data related to its retail contracts for as long as 15 years after the data is entered. With 1,600 virtual corporations requiring separate balance sheets annually, the process has to run efficiently and reliably. The second aspect of LHI's burgeoning business depends on its ability to create enhanced customer intimacy through product leadership, especially with major corporate clients.

The trouble is that LHI's existing enterprise resource planning (ERP) system and associated business processes were monolithic and designed for efficient delivery of a standardized leasing product. This made it hard to adapt the business processes for nonstandard contracts. Crafting new combinations of services and products for customers had to be cleared through acquisitions, sales, and legal – a slow road to the green light for a new contract.

Enterprise Services Architecture: A Blueprint for Flexibility and Innovation

Based on his previous position as a partner in a leading IT consulting firm, Thomas Büsch – managing director and head of IT at LHI – was already familiar with most available solutions. So Büsch quickly saw in Enterprise Services Architecture a better way to organize LHI's existing IT landscape, which had served the company well for many years but was in need of retooling to support new strategic objectives. “Foremost in our IT strategy is that we need to be more flexible and faster in the way we combine our business products,” says Büsch. “And when I talked to the SAP consultants, they understood the new business processes and IT services that we needed for this company.”

Enterprise Services Architecture is the SAP blueprint for IT that uses the idea of services as the fundamental building block. The process of creating an Enterprise Services Architecture road map requires a comprehensive understanding of business processes, the IT landscape, and the strategic goals of the company. After all, Enterprise Services Architecture is more of a design concept than simply a piece of software that can be bought and installed. Like learning the rules of grammar, learning the language of Enterprise Services Architecture is a gradual process – and the

business first has to know what it wants to say. And in order to take full advantage of the power of Enterprise Services Architecture, businesses need to document a midterm plan as part of a road map.

Creating a road map is a challenging undertaking that involves research, analysis, and detailed knowledge of how business processes are designed and how they are supported by IT. Once enterprise services are implemented, they can make countless areas of a business more pliable, faster moving, and easier to

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change. At LHI, Büsch decided to call on SAP Consulting because of its combination of extensive knowledge of SAP products, mature consulting methods, and its ability to understand and design the new business processes that will drive the next phase of LHI's growth. These three competencies enable SAP Consulting to create the right road map and bring the power of Enterprise Services Architecture to LHI's monolithic and static world.

A Road Map in Just a Few Weeks

SAP Consulting engaged Büsch's team of experts at LHI in a series of workshops that laid out the concept of Enterprise Services Architecture. At the same time, SAP gained a deep understanding of LHI's business practices and how Enterprises Services Architecture could be put to work for the company. “During these workshops, SAP Consulting actually adapted their agenda to our needs,” says Büsch. “They understood that midmarket companies have different needs and addressed them on a technical, process, and organizational level.”

In just a few weeks, SAP consultants created a road map for developing a midterm plan for the adoption of the SAP NetWeaver™ platform and the successive implementation of Enterprise Services Architecture. It included everything from the initial assessment through to the project's goals, scope, deliverables, and specific business scenarios that would benefit from the new architecture design. The first priority was to introduce LHI's in-house team to the benefits of the SAP NetWeaver platform and its technology, and Enterprise Services Architecture – as well as to identify how these products could fulfill the company's long-term enterprise IT vision.

Road Map Focuses on Key Business Processes

The consultants then examined LHI's existing application and system landscape and business processes to gain a clear picture of the current infrastructure. The next step in the project produced a concise analysis of the benefits of Enterprise Services Architecture and its recommended application to key business processes at LHI. Specifically, business processes for reporting, employee and manager self-service, and knowledge management became a focus. As a result, SAP Consulting found that these three areas would produce quick wins for LHI, and the consultants determined how the processes could be made more flexible in the long term with enterprise services. After that, SAP consultants then drilled down on specific business scenarios in order to craft a high-level design for LHI's Enterprise Services Architecture. And it all added up to a road map that included potential risks, a management summary, and a three-to-five-year timeline for major milestones.

In the end, SAP Consulting and LHI came up with a 24-month road map for implementing the new Enterprise Services Architecture with the latest mySAP™ ERP solution. The timeline addressed the creation of portals for employee and manager human resources self-services, external services including a FileNet system with personalized customer reports, and an integration of ad hoc workflow systems for creating new projects. Later stages of the road map include the discovery and design of customized enterprise services.

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Quick Wins and Cost Savings

The implementation of the road map will give LHI the speed and flexibility required for success in today's fast-moving marketplace. Accordingly, LHI has licensed mySAP ERP and has created a road map for deploying SAP NetWeaver across its intranet and extranet. As a result, the company will be able to combine its current business products and give LHI the ability to more easily incorporate new functionality in the future.

Through its partnership with SAP Consulting, LHI is already reaping the benefits of implementing the first stages of the road map. For example, LHI is deploying SAP NetWeaver and the SAP Enterprise Portal component to provide a portal for employee and manager self-service. The portal allows employees to request leave or change their own office data. In addition, managers will be able to access and review employee leave requests and see salary details, as well as cost center overviews and reports.

SAP Enterprise Portal will also allow LHI's employees to work with knowledge management and correspond with each other through collaboration technologies that were previously unavailable. These applications can be integrated with existing applications through SAP NetWeaver. Subsequent elements of the road map include the development of services for the personalized interaction between LHI and its customers. The portal will also be used in a pilot program to increase information transparency and provide better service to customers, who will gain direct access to much more information and, in some cases, be able to update data themselves.

Looking Ahead with Confidence

With employees and senior management fully onboard, LHI can implement the next phase of the road map with confidence. The company will then be on its way to enabling modular contracts that combine even the subcomponents of the old contracts, giving LHI services an edge over competitors and added value to customers. At that point, LHI plans to have SAP Consulting analyze additional business process landscapes and look at further options for service orientation.

Best of all, by upgrading to the latest version of mySAP ERP – based on Enterprise Services Architecture – LHI will become not only more flexible and faster but will save money too. As the road map is implemented, LHI's infrastructure will look much more like a set of reusable services than a collection of applications. With enterprise services in place, LHI's IT infrastructure will achieve a new level of flexibility and will support innovation and experimentation at a far lower cost than ever before. "I can now deliver business services that are more flexible, faster, and cheaper," concludes Büsch.