

## SAP Customer Success Story Mill Products – Cabinetry



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Gerald Wylie, Director of Information Technology, Wellborn Cabinet Inc.

### AT A GLANCE

#### Summary

Wellborn Cabinet Inc. manufactures kitchen and bath cabinetry and processes 300,000 production orders per month. When period-end closing processing time increased from 4 days to 4 weeks, the Ashland, Ala.-based company called on the SAP® Business Process Performance Optimization service to improve system performance and reduce closing times.

#### Web Site

[www.wellborn.com](http://www.wellborn.com)

#### Key Challenges

- Improve ability to manage a database growing at a rate of 60 GB to 80 GB per month, causing long execution times (database had already grown to 500 GB)
- Streamline period-end closings (nearly 2 million orders were being called up during closings instead of just the orders for the period end)
- Free up accounting staff time, which was being monopolized by back-to-back closings

#### Project Objectives

- Improve data processing time
- Reduce the volume of data while still complying with business needs
- Evenly distribute hardware load

#### Solution and Services

SAP Business Process Performance Optimization

#### Why SAP Services

- Specialized understanding of company's business processes and SAP software environment
- More than 30 years of proven performance and results
- Expertise and the SAP Best Practices offerings to plan and execute projects
- Easy access to a comprehensive range of SAP resources and knowledge

#### Implementation Highlights

- Set up deletion flags to control database growth
- Identified hardware bottleneck to eliminate elongated execution times
- Automated period-end closing tasks to improve accounting staff productivity

#### Key Benefits

- Reduced size and growth of database and improved system performance, reducing period-end closing time by 75%
- Enabled quick access to reports, improving operational decision making
- Enhanced productivity and efficiency of accounting staff

#### Implementation Partner

SAP Active Global Support organization

#### Existing Environment

SAP R/3® software, functionality now found in the mySAP® ERP solution

#### Database

Oracle

#### Hardware

HP

#### Operating System

UNIX

## WELLBORN CABINET

### SAP® Business Process Performance Optimization Accelerates Period-End Closing

Located in the foothills of the Appalachian Mountains in Ashland, Ala., Wellborn Cabinet Inc. has been manufacturing kitchen and bath cabinetry products since 1961. Shipping accuracy, short lead times, and complete customer satisfaction are company credos that have enabled Wellborn to grow into a US\$150 million organization and expand its employee base to 1,800. The company now operates a 1.3 million sq ft facility with its own timber processing sawmill, steam-powered electrical generator, and delivery fleet to ensure products are delivered on time. By maintaining tight control of its supply chain, Wellborn has achieved one of the fastest lead times in the industry.

However, while the company had many measures in place to speed the sales cycle, some back-end business processes were slowing down. The company had implemented SAP® software for enterprise resource planning – but several months later started experiencing long run times for period-end closings. What had once been completed in four days was now taking four weeks, monopolizing the accounting team's time. To address the issue, Wellborn called on the SAP Business Process Performance Optimization service – a service that helps companies identify and eliminate performance problems in core business processes.

## Seeking a Solution

While at the SAPHIRE® conference – the annual event where SAP experts and partners present innovative IT solutions to the international community – Gerald Wylie, Wellborn’s director of information technology, discussed the problem with SAP representatives. One of his conversations led to a discussion about the SAP Services organization and its team of specialists who deal specifically with period-end closings. Wylie engaged three service engineers for one week to troubleshoot the problem.

“When I was at SAPHIRE, I learned about this elite group that could help,” says Wylie. “SAP homed in on the problem and offered a resolution.”

## Finding Answers

The SAP Business Process Performance Optimization team worked with Wellborn’s business analysts, production control experts, and developers to identify and address the problem. The team first monitored Wellborn’s processes remotely and then worked on-site to observe them from both a business process and technical point of view.

The SAP team realized that Wellborn was capturing an extraordinary amount of production order information in the financial tables, causing the company database to expand exponentially. In six months, the database had grown to 500 GB and was increasing by 60 GB to 80 GB per month. Wellborn had no archiving strategy in place, which meant there were around 1,923,000 active orders in the production system. Each time the company would run the four main transactions for period-end closings (overhead calculation, work-in-process calculation, variance calculation, and settlement), the system called up nearly 2 million orders instead of just the orders for the period being closed.

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“The typical process is to delete production orders once they’re settled. But there might be inventory issues that need to be addressed before they can be settled and costed,” Wylie explains. “That led to about 2 million backlogged orders. Since they were in the database, they were recalculated.”

The SAP Business Process Performance Optimization service enabled Wellborn to set up deletion flags to archive completed production orders so they would be excluded from future period-end closings. The service also prioritized the information captured in each order: only the most critical information and material would be tracked, helping to reduce the size of the database and slow its growth.

## Looking Hard at Hardware

The team also identified a severe bottleneck on Wellborn’s application server. Wellborn had a database server with 16 CPUs and an application server with 4 CPUs that were sharing processing time for period-end closings, quality assurance, development, and regular business transactions. The application server could not support parallelism (an overlapping of input and output processing), increasing processing time considerably.

“We discovered that the elongated execution times were because of conflicts with other processes that were running, so we added an additional server and separated the processes. We now have one dedicated to period-end closings,” Wylie says. “SAP also helped us understand how to control the way the software schedules its jobs. The system now looks for available parallel processing facilitators and goes after them no matter what server they reside on. The consultants did some additional tuning to speed up the processing as well.”

### **Establishing New Processes**

The SAP team helped Wellborn set up a schedule manager to automatically execute period-end closing tasks so that processing could run around the clock. The schedule manager simplifies the definition, scheduling, execution, and control of periodically recurring tasks by automating them. The team conducted an on-site workshop to train Wellborn's staff to use the tool.

The results were positive: Wellborn saw an improvement in its accounting team's productivity and efficiency almost immediately. "Before, we were manually executing all of the tasks. If we finished one at 2:00 a.m., we couldn't start the next one until the following business day. The schedule manager keeps it going around the clock, so we don't lose any time during closings," Wylie comments. "The software also provides tracking mechanisms to log how long each process takes. This enables us to pinpoint and optimize the processes that take the longest to complete."

### **Reaping Rewards**

By implementing the recommendations of the SAP Business Process Performance Optimization service, Wellborn cut its period-end closing time by 75% and dramatically reduced the size of its database. Wellborn's accounting staff now gets the results of their reports sooner and has more time to work with the data. Before, their time was dedicated to back-to-back closings.

"The SAP consultants did some prep work off-site and when they got here, they were all over the system. I was amazed at what they accomplished in one week," Wylie comments. "Each consultant had a specialty area and really understood the accounting process and period-end closing programs that were causing the most problems and long execution times."

### **Planning for the Future**

SAP recommended that Wellborn adopt a data management and archiving strategy and provided some tips on how to get started with an archiving program. By reducing the amount of redundant data, Wellborn can reduce the total cost of ownership of its database.

"We did a 'big bang' implementation where we went live with almost all of our SAP software on the same date and have plans to implement the quality management and plant maintenance solutions as well as the customer

relationship management software," Wylie comments. "Right now we're trying to swallow from the fire hose. We have plenty of growth planned, but first we'll focus on archiving and getting our production orders down to a minimum."

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