



SIP

SAP® SOFTWARE HELPS OPTIMIZE PERFORMANCE AND POTENTIAL

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Lado Ajdnik, CFO, SIP Strojna Industrija d.d.

QUICK FACTS

Company

- Name: SIP Strojna Industrija d.d. (SIP)
- Location: Šempeter v Sav. dolini, Slovenia
- Industry: Industrial machinery and components
- Products and services: Farm equipment (rotary mowers, harvesters, spreaders)
- Revenue: €20 million
- Employees: 400
- Web site: www.sip.si
- Implementation partners: IDS Scheer d.o.o. Slovenija; Ensis d.o.o. (for outsourcing)

Challenges and Opportunities

- Upgrade and unify disparate legacy software
- Achieve greater depth of business information to support management decisions
- Streamline and optimize business processes

Objectives

- Improve operational performance by integrating and optimizing business processes
- Minimize downtime by streamlining software implementation
- Establish centralized database to improve visibility and data accuracy

SAP Partner Solution and Services

ARIS SmartPath, a qualified SAP® Business All-in-One partner solution

Implementation Highlights

- Achieved rapid, 7-month implementation
- Fostered cohesive implementation team of managers and key users
- Migrated and integrated master data efficiently

Why SAP

- Worldwide reputation as a trusted business partner
- Comprehensive, integrated software functionality
- Well-supported and developed industry-specific software
- Fixed-price project

Benefits

- Reduced administrative tasks
- Enhanced operational performance and customer service by optimizing business processes
- Increased productivity
- Improved cost control by enabling profitability analysis

Existing Environment

Disparate legacy software

Third-Party Integration

- Database: SAP MaxDB™ database
- Hardware: Hewlett-Packard
- Operating system: Microsoft Windows NT



It is a situation companies the world over face: Organic growth. Growing business needs. Legacy software that is not keeping pace. Tackling these challenges can be daunting for some businesses. But SIP Strojna Industrija d.d. (SIP) – headquartered in Šempeter v Sav. dolini, Slovenia – met these challenges head-on and came out a winner with a qualified SAP® Business All-in-One partner solution.

Keeping Pace with Growing Needs

SIP was founded in the mid-1950s as a small workshop that offered services to local farmers. Over time, the company evolved to its present position as Slovenia's leading producer of farm equipment, tractor attachments, and other agricultural machinery for small and midsize farms. As the company has grown, its software needs have also grown. SIP's legacy business management software was no longer sufficient. It did not offer the business process control and depth of information the company sought.

"We needed better integration within and among existing processes," said Lado Ajdnik, SIP's CFO. "We began to research software with a broad scope of functionality to meet our immediate business needs and optimize our processes, but that was adaptable and scalable to grow with us. Also, we

couldn't risk a lot of downtime, so a quick implementation was important."

Finding a Solution

SIP was not able to upgrade its existing software, and the company considered a non-SAP software solution. Ultimately, it selected a qualified SAP Business All-in-One partner solution. "SAP has an excellent reputation worldwide, and the software offers the best integration of business processes," Ajdnik explains. "Also, the software offers well-supported and developed functionality for production, so it was the right choice for us."

SIP worked with IDS Scheer d.o.o. Slovenija to implement ARIS SmartPath, a qualified SAP Business All-in-One partner solution. Qualified SAP Business All-in-One partner solutions are developed, offered, deployed, and supported by SAP partners. Provided as a fixed-priced, defined-scope imple-

mentation supported with consulting services, ARIS SmartPath met SIP's industry-specific requirements and offered a quick implementation with minimal risk.

Defining the Objectives, Speeding the Implementation

SIP's primary drivers for the project were to optimize and integrate its business processes. "We wanted to improve our long- and short-term planning," says Ajdnik. "The SAP software would enable us to shorten our production and throughput time, gain better control of production costs, and reduce inventory."

By selecting ARIS SmartPath, SIP was able to leverage IDS Scheer's experience and expertise with implementing SAP software to quickly realize its objectives for the project. Implementation tools and methodologies that leverage this expertise help ensure predictable outcomes, affordable costs, and rapid ROI.



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A team from SIP and IDS Scheer worked together on the implementation, involving 16 key users at SIP. “Involving business users in the implementation helped to ensure we met enterprise-wide needs. Also, because our key users became familiar with the solution, they helped train other users to improve adoption and acceptance of the new software,” Ajdnik adds.

The implementation was completed in just seven months, even with a couple of bumps along the way as SIP adjusted to changes in its accounting system and as its production and warehouse processes went live. The software had to integrate several technology solutions to enable Intra European Community Trade Statistics (Intrastat) reporting, electronic banking, and employee attendance registration. None of this proved a problem. Since qualified SAP Business All-in-One partner solutions are powered by the SAP NetWeaver® technology platform, they offer the best way to integrate all systems running SAP or non-SAP software.

Reaping the Rewards

SIP has realized many organizational improvements since implementing the software. “We’ve improved the way we perform our daily business operations. In some cases, we’ve shifted certain

business process from one line of business to another. By doing this, we’ve reduced our administrative tasks and improved overall productivity and cost control,” Ajdnik explains.

The software is enabling SIP to improve operational efficiency. It does so by streamlining tasks across all business

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areas in an intuitive work environment that facilitates adoption and productivity. SIP has gained better visibility into company-wide business operations and performance. Furthermore, employees can now access appropriate information and carry out their responsibilities effectively and intelligently.

By selecting a qualified SAP Business All-in-One partner solution, SIP has gained the business agility it sought. The software can be reconfigured to support changes in business processes, reporting lines, and employee roles as they occur. SIP can also extend the functionality of the solution with little or no disruption to the business.

Looking Ahead

As SIP makes full use of its SAP software, the company will look for ways to derive additional value from its investment. Already the company is planning to use the software to integrate warehouse management into its production processes. It is also considering imple-

menting customer relationship management software and portal software to further improve business processes and customer service. Ultimately, SIP plans to use the software as a springboard for future growth and innovation. “With our new enterprise-wide visibility and tight integration of business processes, SIP is prepared to face the challenges and seize the opportunities that lie ahead,” Ajdnik concludes.

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