

## SAP Customer Success Story



Faced with cumbersome, error-prone, manual-based processes at its Fallingbostal plant warehouse, **Kraft Foods International** implemented **WebSAP-Console** to connect next-generation **Intermec graphical RF barcode scanners** to its **SAP® R/3® System**. The results: **higher productivity, fewer errors, minimized paperwork, and reduced manual effort. The SAP Ramp-Up program helped speed up the implementation.**



Kraft Foods



## KRAFT FOODS INTERNATIONAL

### KRAFT FOODS INTERNATIONAL LINKS NEW GRAPHICAL RF SCANNERS TO ITS SAP® R/3® SYSTEM TO STREAMLINE WAREHOUSE PROCESSES

The effort required to maintain global leadership in the food and beverage industry demands a constant stream of innovation – right down to the smallest of details. Kraft Foods International is no exception. To help ensure that the company could continue to effectively meet both the challenges of the highly competitive food market and the EU legal regulations (EU178/2002) regarding traceability of food, Kraft turned to SAP, once again, and implemented WebSAPConsole.

Harald Ahlden, project lead, Kraft Foods International, explains: “Up until August of 2003, our employees manually received delivery slips from drivers delivering pallets. They would then write down some data and give the forms to another department where their colleagues would key the data into the system. So we had a lot of paperwork. Plus, the data input into the system was not real time and increased the likelihood of errors.” Harald Ahlden came on board to helm the pilot SAP® implementation—a project designed to streamline warehouse management at the company’s Fallingbostal, Germany-based plant warehouse.

Headquartered in the United States, Kraft Foods International Inc. is the largest branded food and beverage company in the United States and the second largest worldwide. Kraft Foods markets many of the world's leading food brands, including Kraft cheese, Jacobs and Maxwell House coffees, Nabisco cookies and crackers, Philadelphia cream cheese, Oscar Mayer meats, Post cereals, and Milka chocolates, in more than 150 countries.

### **SIXTY DAYS TO SUCCESS**

In short, WebSAPConsole enabled Kraft to connect Intermec Color 750 graphical handhelds with the company's SAP R/3® System to support warehouse management processes in its Fallingbostal, Germany plant, the largest of its kind in Europe.

The system uses bar codes for identification purposes and mobile, wireless data entry as the basis for efficient, real-time, and virtually errorless data management, enabling Kraft to effortlessly track all pallet-based direct material.

SAP and Intermec worked closely together to ensure the success of the new system. In mid-August 2003, after less than 60 working days, the team activated the pilot application. Kraft also took part in an SAP Ramp-Up program, which enables early adopters such as Kraft to receive more intensive support than generally needed for conventional implementations. The implementation team for the Fallingbostal project consisted of experts from Kraft Foods, SAP AG, SAP Labs in Israel, and Intermec. Joachim Praceus, from the information technology firm of Praceus and Jaeger, also provided support. "The exceptional teamwork was one of the highlights of this project," notes Joachim Praceus.

### **ONE OF THE FIRST**

Kraft is no stranger when it comes to radio frequency (RF) scanning technology. "But elsewhere in the organization, we were using monochromatic, text-based displays," explains Harald Ahlden. "For the first time, we've connected Intermec RF scanners with graphical displays to the network and SAP R/3 – in fact, we were one of the very first companies worldwide to do so." In warehousing, the graphical RF scanner represents the next generation of efficiency and productivity.

For this latest technology from SAP, Intermec developed a special browser called IBrowse – which, for example, enables easy formulation and interpretation of bar-code data.

Both Intermec and SAP made special efforts to customize the solution according to Kraft's needs. For example, Intermec customized certain IBrowse function keys, while SAP modified WebSAPConsole to recognize the key codes and pass them on to the SAP R/3 warehouse management solution.

### **COMFORTABLE AND ERGONOMIC**

Fallingbostal warehouse employees now have a very comfortable and ergonomic tool in their hands. The handheld computers and Intermec 601XP printers make it possible to generate standardized pallet labels for Kraft Foods. The labels are based on serial shipment container code (SSCC), a standard code in the logistics area.

At Kraft, warehouse processes are now as simple as possible. First, warehouse workers enter some data for the bar-code label into the Color 750 handheld device. After updating the SAP R/3 database with this information, the system generates a unique SSCC. The pallet label is then printed and applied manually to the pallet. Subsequently, an employee scans the label's bar code and the goods receipt is posted in the SAP system. Also, for booking goods withdrawal or movement, only the pallet label needs to be scanned. Staff members now have information, such as stock levels, available in real time. They only have to scan a bar code and the information is immediately displayed on the Intermec device.

The element of security is also very important for Kraft Foods. Based on company policies, the development team devised measures that made access without proper clearance practically impossible.

## MOVING FORWARD

Kraft is in the process of implementing a central SAP R/3 system, which includes mySAP™ ERP and warehouse management functions, in conjunction with the WebSAPConsole system, throughout the company's European organization.

According to Volker Schmidt, food logistics manager at Kraft, Fallingbostal, the RF scanner solution represents an excellent starting point. "Besides the reduction of errors through automatic data entry, we can continue to minimize our use of paper," says Volker Schmidt. "Streamlining the logistical process for more than 250,000 pallets per year is really just the beginning."

## AT A GLANCE

<b>The company</b>	Kraft Foods International
<b>Industry</b>	Food and beverage
<b>Key challenge</b>	Automate warehouse processes to eliminate errors, minimize paperwork, increase productivity, and reduce manual effort
<b>Implementation partners</b>	Intermec, SAP, SAP Labs, and Praceus and Jaeger
<b>Solution</b>	WebSAPConsole (in conjunction with Intermec Color 750 handheld computers and SAP® R/3®)
<b>Key benefits</b>	<ul style="list-style-type: none"><li>- Higher productivity</li><li>- Fewer errors</li><li>- Minimized paperwork</li><li>- Reduced manual effort</li></ul>
<b>Hardware</b>	Compaq Proliant
<b>Operating system</b>	Microsoft Windows 2000

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