

## SAP Customer Success Story

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Marc Hennecke, Warehouse Manager, Schenker AG



### AT A GLANCE

#### Company Name

Schenker AG  
www.schenker.com

#### Industry

Logistics service provider

#### Key Challenges

- Ensure just-in-sequence (JIS) delivery of parts to Volkswagen Nutzfahrzeuge (VWN) production lines
- Remain competitive

#### Implementation Partners

- SAP
- IGZ

#### Solution and Services

- mySAP™ Supply Chain Management
- SAP® software for the automotive industry

#### Existing Environment

SAP R/3®

#### Implementation Highlight

Implemented solution in 6 months

#### Key Benefits

- Efficient management of warehouse processes
- Faster turnaround of goods, leading to increased customer satisfaction
- Reduced costs
- Improved ability to meet future demands

## SCHENKER AG

### SAP® SOFTWARE HELPS SCHENKER LEAD THE WAY

#### A DEMAND FOR SHORTER DELIVERY TIMES

Today, companies in the highly competitive automotive industry remain under constant pressure to continually reduce delivery times. Schenker AG – one of the leading international providers of integrated logistics service – is no exception, which is why it uses mySAP™ Supply Chain Management (mySAP SCM) and SAP® software for the automotive industry.

In fact, at Schenker's 36,000-square-meter production warehouse for Volkswagen's commercial vehicle arm, Volkswagen Nutzfahrzeuge (VWN), SAP software helps the company significantly simplify and expedite transport of vehicle parts to the automobile maker's assembly lines. By way of a 360-meter bridge linking its warehouse and VWN's production facilities, Schenker transports components to the Volkswagen plant's assembly lines in some 1,100 just-in-sequence (JIS) containers on a daily basis – with the right component arriving at the right time, in the right sequence.

For production of the new T5 Eurovan, 90 employees at the Schenker warehouse manage a daily turnaround of some 40 truckloads containing some 2,000 different items from about a dozen suppliers.

With annual sales of €6.9 billion, 38,000 employees, and about 1,100 offices around the world, the Stinnes subsidiary Schenker is one of the world's leading providers of integrated logistics



services, offering land transport, air and sea freight, as well as comprehensive logistics solutions and global supply chain management from a single source. Stinnes is a Deutsche Bahn AG company.

### COUNTLESS REASONS FOR CHOOSING SAP

When the time came to choose software to help manage the company's warehouse logistics processes, it was a no-brainer as far as Schenker was concerned. "We immediately thought of SAP, based on our positive experiences in previous projects," says Nzo-Nkatu Kusu-Kanza, systems engineering project manager at Schenker headquarters in Essen. "We also chose SAP because of its high degree of availability and performance, its ability to meet future demands, and good price-performance ratio, together with its widespread use in the automotive industry."

An implementation team made up of SAP specialists from Schenker headquarters in Essen and the business consulting firm IGZ worked together with on-site logistics experts to introduce the system within a six-month time frame.

### OPTIMAL PROCESSES

Today, the SAP solution maps all processes within the warehouse: goods receipt, put-away, picking and sequencing, preassembly, forklift control, labeling, stocking, and just-in-time (JIT) delivery to the assembly lines. The multicustomer warehousing capabilities enable Schenker to effectively monitor and manage stock.

And, with SAP console technology, data radio units can be directly connected to the SAP system, which enables employees to report goods movement using radio frequency (RF) scanners. This information is automatically sent to mySAP SCM, ensuring that stock information and materials flow history can be accessed at any time.

### JUST IN TIME (JIT) FOR ASSEMBLY LINES

But, that's just the beginning. With the SAP solution, the logistics service provider can manage the preassembly of parts in the warehouse and ensure just-in-time delivery to the assembly lines. For example, the final assembly for all floor coverings includes a punch code, in addition to the article number, which is output on the assembly list. Employees simply scan this code, which triggers the appropriate process in the assembly machine.

In turn, SAP action-control capabilities ensure that parts are delivered to the assembly lines just in time. On the assembly line,

**"SAP offers outstanding industry standards for processes and IT environments, which enables us to meet all the requirements for managing our warehouse processes."**

Marc Hennecke, Warehouse Manager, Schenker AG

the ordered materials are grouped into JIS containers, which are then bundled into JIS convoys and delivered in the right sequence to the VWN production lines.

### FASTER TURNAROUND – SATISFIED CUSTOMERS

"Thanks to SAP [software], delivered goods can be turned around faster and orders executed more rapidly," summarizes Marc Hennecke, warehouse manager at Schenker. "That reduces costs and significantly increases customer satisfaction."

Plus, the scalability of the SAP system landscape means it can be adapted to meet changing requirements and reused for similar processes. "This will enable us to easily integrate additional partners into the VWN supplier network," says Hennecke.