

SAP Customer Success Story

“As a global manufacturer of special lubricants, we need standardized and integrated processes. We believe we can achieve this with SAP solutions.”

Bernd Rothacker, IT Director, Fuchs Petrolub



AT A GLANCE

Company Name

Fuchs Petrolub AG
Germany
www.fuchs-oil.com

Industry

Oil & gas: lubricants

Key Challenges

- Integrate global systems
- Standardize business processes
- Harmonize master data

Implementation Partner

Internal project team

Solution and Services

SAP® R/3® (functionality available now in mySAP™ ERP)

Implementation Highlights

- Development of global implementation template
- Rollout in several European countries supported by “virtual team”

Key Benefits

- Language and country versions of the software
- Standardized business processes
- Availability of uniform platform for global rollout

Hardware

IBM p630 (solution hosted by Freudenberg)

Operating System

- AIX 5.2
- Oracle 9.2.0.4 database

FUCHS PETROLUB AG

SMOOTH OPERATIONS WITH SOFTWARE FROM SAP

Fuchs Petrolub AG, based in Mannheim, Germany, wanted to create an integrated IT landscape for production, logistics, and sales with SAP® R/3® software (functionality now available in mySAP™ ERP) for the holding company and its 70 international subsidiaries. The company’s goal is to build on its leading position as an independent company in the lubricant industry, strategically targeting regions like Asia and Eastern Europe, markets with a high growth potential. Its diverse range of products includes special lubricants for the mining and steel industry, the automobile industry, for agricultural equipment, and for machinery construction. Fuchs Petrolub is increasing its market share by providing differentiated products and customer-specific solutions.

To keep up with market demand, the company has identified standardized business processes and harmonized master data as strategic goals. To achieve these two goals, the holding company is mandating that all 70 international subsidiaries must replace, upgrade, or integrate their existing IT systems, including SAP systems that, in the past, may have been implemented without the assistance or knowledge of the holding company.

TEMPLATE REDUCES PROJECT COSTS

Fuchs Petrolub’s international subsidiaries in France, Great Britain, and Austria have been using the SAP software since 1999. During the implementation in the French subsidiary, Fuchs developed a template that is still used today as a basis for other implementations, reducing the cost of rollouts by two-thirds.



SAP projects became even more important when the virtual strategic business unit Fuchs Europe was founded in 2000, grouping most of the company's European investments together. "This virtual group of subsidiaries makes the rollout process easier, quicker, and more cost efficient," explains Bernd Rothacker, IT director at Fuchs Petrolub. At the same time, the company formed a virtual project team, consisting of employees from the central team in Mannheim and from the French and Spanish subsidiaries. This team rolled out the software in Spain in 2002, and then rolled it out in Belgium, which went live in July 2002. After the successful upgrade to the latest version of the software, a rollout project is currently underway at one of the German subsidiaries.

CORE LOGISTICS AND ACCOUNTING PROCESSES UNDER CONTROL

Fuchs Petrolub uses the SAP software for its central business processes – from order processing, procurement of raw materials, stockholding, production, and logistics to sales and distribution and billing. It uses the SAP applications for financial accounting, controlling, profitability analysis, asset accounting, sales and distribution, materials management, production planning for process industries, warehouse management, and quality management.

The European system (development, test, and production) is hosted in the computer center of Freudenberg in Weinheim, Germany. The concept behind this is to have all companies represented by company codes in one client, which will harmonize processes and ensure that all companies can work with the same operative chart of accounts.

The ultimate goal is to strengthen cooperation among employees in the group. "Close intercompany cooperation is becoming increasingly important for us as production is becoming more concentrated at competence centers in different business locations," says Rothacker. Today, for example, fats are produced mainly in Belgium.

Fuchs Petrolub relies primarily on the standard SAP software for its projects. However, Fuchs does adapt the software to meet special user requirements. For example, the Spanish subsidiary

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Martin Schaub, SAP Application Manager, Fuchs Petrolub

is using a business-to-business (B2B) online shop that Rothacker and his team implemented with SAP Internet Transaction Server (SAP ITS). SAP ITS technology is provided today with SAP NetWeaver™. The IT team also used SAP ITS to implement an online order-entry solution for sales representatives working at the French subsidiary.

The SAP projects have enabled Fuchs Petrolub to improve its key performance indicators. Martin Schaub, the company's SAP application manager, is certain that the investment in SAP software is paying off. "In Belgium, for example, we have improved supplier delivery and on-time-delivery performance considerably. It takes even less time for payments to be received." What's more, the harmonization of business processes beyond company boundaries – achieved thanks to the implementation of SAP software – has had a positive effect.

MORE PLANS IN THE PIPELINE

In addition to standardizing the systems in Europe, Fuchs Petrolub is now focusing on the United States and Asia. Rothacker is also interested in the SAP packaged solution for environment, health, and safety; the SAP Business Intelligence component of the SAP NetWeaver platform; and SAP NetWeaver itself for integrating non-SAP solutions more easily. "Improving and consolidating the existing components is still a top priority, but new ideas are also on our agenda," says Rothacker.