

## SAP Customer Success Story Manufacturing – Building Products



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Erika Flavell, SAP Development Manager, Kingspan

### AT A GLANCE

#### Summary

Kingspan Panels, a market-leading provider of quality products for the construction industry, aims to sustain its annual growth rate of over 25% as it expands its manufacturing and distribution operations throughout Europe, the Far East and the United States of America. Read how SAP is providing firm foundations to support these ambitious growth plans.

#### Web Site

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

#### Key Challenges

- Legacy IT system effective as single site manufacturing system but unsuitable for growth or as a multi-site system
- Enhanced management information key in fast-moving industry

#### Project Objectives

- Provide a scalable multi-site, multi-currency, multi-country IT platform to support current business and future growth
- ‘Big Bang’ implementation with six month timeframe

#### Solutions and Services

SAP Financials, SD Reporting, Variant Reporting, MM, Production Planning

#### Key Benefits

- Ease of implementation in any geography
- Improved quality of management information
- Excellent levels of end user acceptance
- No increase in headcount despite aggressive business growth

## BUILDING SUCCESS

### How SAP is providing Kingspan Panels with the foundations for continued success

The Ireland-based Kingspan Ltd began life in 1972 as a small family business making metal cladding and related products for the building industry. Today it is a publicly quoted company on the Irish Stock Exchange, boasting an annual turnover of nearly 1 billion euros with manufacturing and distribution operations throughout Europe, the Far East and the United States. The foundations of this phenomenal growth are a commitment to innovative design, exceptional quality and technical expertise – all vital attributes in the fast-moving international construction industry.

The building market is moving towards Modern Methods of Construction (MMC) across all sectors – industrial, commercial, institutional and domestic – in order to minimise site work, eliminate wet trades and reduce construction times. At the same time, the movement towards environmentally sustainable buildings that incorporate elements of renewable energy is driven by ever more stringent building regulations and environmental legislation. Kingspan Panels’ response is a strategy designed to position the company where it will have high recognition for providing the best-integrated solutions for all principal segments of the construction industry. It’s an ambitious target – and one which SAP is helping them to achieve.

## THE FOUNDATIONS OF SUCCESS

"We had an IT system which was very good as a single-site manufacturing system," says Peter Keeling, Divisional Finance Director, Kingspan Panels, "but it failed us in terms of its capacity for growth and suitability as a multi-site system." The company's principal goal was to provide a multi-site environment where senior management could easily see information on profitability by product by country or by plant, and therefore monitor how the company was performing. "SAP was our primary choice," says Kingspan's SAP Development Manager Erika Flavell. "As it was scaleable, multi-site, multi-currency and multi-company, we felt that this was a product that we would have a future with." Kingspan initially went live with SAP Financials, SD Reporting, Variant Configuration, MM and Production Planning, The intention was to make the SAP project as short as possible, and the 'big bang' implementation was completed within six months. "The thing that impressed me most was the speed at which SAP could be put in," continues Peter, "and at six months, a go live environment is to me ideal, because I believe that IT projects need to be kept tight."

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Erika Flavell, SAP Development Manager, Kingspan

SAP Ireland supported Kingspan during the implementation by providing the equivalent of a Project Manager. "The great thing about SAP is that it is so easy to implement in virtually any geography," says Peter. "We have a sales office in Australia, which has already been implemented, we've got two large sales offices in Holland and Belgium, which were next on the list, and then we're probably looking to expand it to other locations."

## HIGH EXPECTATIONS

Ease of use and quality of information are recurring themes with Kingspan's SAP implementation. "I've had lots of comments since about how intuitive it is to pick up the transactions and the processes within the flow," says Erika, "and I think although we're still working on it, the information available from SAP is fabulous." Since the implementation of Business Warehouse, the company is beginning to see the real benefits of SAP's reporting capabilities: "Explaining that you want to capture more data so that we get better information out of the system is fine, but people want to actually see that good information," she continues, "Now that we've put in the Business Warehouse, the power of that solution has become really apparent."

## BUILDING FOR THE FUTURE

Looking forward, SAP has provided a very reliable and disciplined environment for Kingspan that will support the business well into the future as the company looks to continue its impressive record of growth. "Our Division is probably growing at about 25% a year and we clearly couldn't have sustained that on our old ERP system," says Peter. "Because we're growing at 25%, we would expect our customer service teams to grow by the same amount. In reality, they haven't grown at all, and we've managed to absorb that and we couldn't do that without SAP."

"I think that we have achieved a very good solution with very few changes to SAP standards," concludes Erika. "We've done that with a very small team and everybody is now coming to us and saying: what can SAP do for us?"

## TO FIND OUT MORE

For further information about how SAP works with manufacturing, please contact: [www.sap.com/industries](http://www.sap.com/industries)