



With the help of cbs, the mechanical and plant engineering group Dürr has reduced its organizational complexity

OneSAP for Globally Integrated Processes, Data, and Systems

Between 2006 and 2010, the global mechanical and plant engineering group Dürr comprehensively realigned its processes and system landscape. An integrated architecture was created based on 12 different systems that enables global collaboration and ensures efficient resource allocation.



In 2005, a reorganization project carried out within the Dürr Group resulted in various fundamental structural problems. The decentralized organization could no longer meet the needs of the increasingly global value creation structure of complex plant projects. A comprehensive reorganization of structures, processes, and systems was called for by top management. Future processes were harmonized and were to be modeled in an integrated IT system.

Due to the decentralized setup of the structures that had evolved, employees constructing painting equipment together with various other subsidiaries, worked with different schedules, procurement systems, and processes. The task of merging all the information for overview purposes had to be done manually and was time-consuming and resource intensive. It was difficult to compare costs since the individual subsidiaries used different procedures and different data as a basis. Employees assigned to work on projects abroad always had to familiarize themselves with new structures, processes, and systems.

DÜRR is a mechanical and plant engineering group and is the global market leader in its field. It generates approximately 80 percent of its sales from business in the automotive industry. In addition, Dürr supplies the aircraft, engineering, chemical, and pharmaceutical industries with innovative production and environmental technology.

The Dürr Group operates in the market with two divisions: The Paint and Assembly Systems division supplies production and painting technology, particularly for car bodies. Machinery and systems from the Measuring and Process Systems division are used in engine and transmission manufacturing and in final vehicle assembly, for example. Dürr has 47 locations in 21 countries around the globe. In the 2009 fiscal year, the Group's sales totaled €1.1 billion with approximately 5,700 employees.

OneSAP

The aim of the OneSAP project was to specifically address this deficit. The executive board's vision was: Regardless of the international subsidiary from which a Dürr employee costs, offers, constructs, or maintains plants or equipment in Europe, the US, or Asia, this employee must have access to the same processes, tools, and systems as all other employees, and be in a position to work and operate without loss of information and without friction. This vision made it clear that the project scale would significantly exceed that of a standard IT project. The aim was to shape a new world for Dürr and its employees – which involved reorganizing the business model, defining processes and data, and setting up IT systems. This required launching a business project that would introduce fundamental changes and allow a consolidated global end-to-end SAP group solution to be established for this new world – in the form of a uniform work platform in a single client.

Decision to Use cbs as the Consulting Partner for the OneSAP Project

» In a business-critical project of this magnitude, it is crucial to safeguard the corporate goal as much as possible in terms of both quality and cost. Our decision was not based so much on the high profile or alleged promises of a large global consulting firm.

We were more interested in the added value that a consulting team could actually contribute and in their expertise in realizing our goals. We were not willing to support a project that would run for twice as long and for three times the price. Of course, we also could not afford failure. We therefore put our faith in the qualities of a focused solution provider for global SAP standardization, harmonization, and consolidation – a provider who understands our business and can help design our business processes thanks to their expertise in the manufacturing industry. «



Ralph Heuwing
Chief Financial Officer of Dürr

Scalable Solution

The different features of the international locations placed another special demand on the template being created: It had to be scalable and adaptable to international requirements. The solution is a flexible structure incorporating various template components. The common core is used globally by all international subsidiaries, and depending on the size and needs of a particular subsidiary, other components can either be added as required or used at a later stage when needed. This allowed the rollouts to be structured and standardized in advance, which meant that no new challenges (with the exception of some application issues) arose during the rollouts – allowing all efforts to remain focused on migration, implementation, and onsite training.

SAP System Merge

P system landscape in Germany, which had evolved over a period of time. Two large business areas with different process features operated on different SAP systems. One SAP system served global plant engineering, whereas the other supported small series production.

However, since this setup was not compatible with the objective to use a uniform global solution, the SAP systems in Germany had to be merged, which was done in parallel to creating the template. It required harmonizing each of the business area's processes and integrating them into the SAP system.

Similarly, the processes and master data in the relevant cross-areas, such as accounting, purchasing, and sales, also had to be harmonized. An additional special requirement was that historical data had to be copied for various operational reasons. The entire system was copied to the new template system over a long weekend. On the Monday morning, production was able to resume seamlessly at full load without any problems.

Template and Consolidation

The template could be created using one of two possible approaches: Either create a new template or optimize the existing platforms. A tradeoff resulted in the Brown-Field approach, and an existing SAP system in Germany was used as the basis for creating the template. The plant process requirements were already modeled very well in this SAP system. The more significant challenges faced were to adjust the accounting and reporting systems (previously tailored

to German requirements) to reflect the international IFRS standard. The defining objective was to introduce standard processing in one chart of accounts and one controlling area. In addition to redefining all operational accounting structures and processes, a new planning and reporting system based on SAP BI was introduced. In operational processing, optimizations are to be made by directly integrating various CAD systems and modeling the service business in the template.

Proven methods for managing SAP restructuring projects

End-to-end approach at process and system level

M-cbs

- **Reliable approach to change projects tailored to the type of project**
- **Planning, transparency, reliable control of complex projects**
- **Deployed, improved, and further developed in hundreds of projects over 15 years**
- **Turbo, police & cost cutter for major projects: Costs, time, quality**
 - Systematic process and phase orientation
 - Supported by SAP Solution Manager
 - Universal methodology: Strategy - processes - systems - data
 - Project approach tailored to business objectives
 - Design of common processes, data, and systems in line with business strategy
 - Planning, implementation, and controlling of global projects
 - Realization at system level

» *cbs's SHC Framework enabled us to resolve otherwise unmanageable technical problems in an economically feasible way.* «

Ursula Ziwey, Vice President of Global IT and Project Manager at Dürr

Ursula Ziwey states: "The functions and performance of the SHC Framework, particularly the business-based approach of transforming and migrating data based on processes and business objects, have enabled us to see a clear added value especially in relation to the complex requirements. After all, we were planning to carry out a technical system merge, copy all historical data, adjust the organizational structures, and harmonize data in conjunction with comprehensive process standardization, and also conduct an implicit release upgrade in the process. This required meticulous planning and execution. This would not have been possible without cbs's competent project managers and consultants. Not only did they support us with the technical aspects of the conversion, they also used their comprehensive expertise to help us integrate our processes and data." The first phase was completed within 12 months. Commenting on this phase as well as the overall project, Wolfgang Weissinger, Senior Manager of ERP SAP for Global IT at Dürr, stated: "What we accomplish in one year, takes others three times as long."

Global Rollout

During the rollouts, the focus was placed on introducing the solution and providing training in the subsidiaries. Whether this succeeds depends on two key factors: the intensive groundwork carried out by defining the template used as a building block, and the efforts invested in preparing and selecting key users at each of the subsidiaries.

Training courses, cultural training sessions, and train-the-trainer seminars were held to prepare the key users for their task of persuading employees in the subsidiaries to support the solution and thereby help advance the rollout at both a technical and human level. "The rollout team must have exceptional technical and leadership skills," says Wolfgang Weissinger. "This is the only way they can gain colleagues' acceptance in the individual countries. The team members are motivated and highly committed. They are key to the success of the project."

Migration Paths

The existing setup at the various locations in the US, Mexico, China, Poland, Korea, India, Brazil, Spain, England, Italy, and France varied considerably. Methods ranged from using spreadsheet applications to process business transactions, to having eight different non-SAP ERP systems, through to processing transactions within the existing SAP system in one or more clients. This meant that different migration paths were required. cbs's SHC Framework made it possible to successfully master the challenges of merging clients, converting the controlling area and chart of accounts, and migrating the non-SAP systems.

Coaching Approach

Initially, cbs was very involved in overseeing the rollouts. These are now managed by the Dürr team on a routine basis. This was made possible by the solid preparation, standardized process, and the systematic knowledge transfer that cbs conducted to train Dürr in line with their project and coaching approach.

Rainer Wittwen, Project Manager at cbs, states: "We are agile and flexible, and in projects like this we can apply all our exper-

tise - from adjusting the business model, to defining the processes and data, through to our system knowledge. This comprehensive and diverse knowledge is of great benefit to our customers. And the knowledge transfer allows our customers to remain autonomous."

Benefits and Outlook

The benefits of the project range greatly. The knowledge at Dürr can now be applied anywhere. Structures, tools, and approaches to work are comparable and can finally be used actively by employees worldwide. Employees can now work on projects at any location around the world easily and efficiently.

Communication and understanding is based on a consistent nomenclature since master data and tools are standardized worldwide. Project management and reporting for projects in which various locations are involved is now comprehensive – copying information manually is a thing of the past. For a customer project, for example, purchasing can be assigned to China, engineering can be developed in the US but executed in India, and production can be assigned to Mexico.

The time and effort for accounting and controlling processes as well as the year-end auditing processes was reduced significantly in some cases since reporting is now carried out in one system and based on IFRS. Comparing the volume of output in various periods before and after the project show that higher volumes can be achieved with the same or even less staff than before. The project team estimated a payback period of at least two years. A permanent organizational unit was also set up as part of the project. This unit is responsible for ensuring the continuous development of processes and that the template is applied correctly. It demands and promotes use of the solution in the international subsidiaries, allowing the potential benefits to be maximized in the long term.

