



HBPO
THE MODULE COMPANY

Automotive supplier merges SAP systems across countries

Project SOLID: Harmonized Processes and Systems

A central North American SAP system ensures the comparability and transparency of business processes at HBPO GmbH, a joint venture between Hella, Behr, and Plastic Omnium.

As a supplier for the automotive industry, HBPO produces approximately 2.8 million front-end modules annually. To do this, the company maintains numerous just-in-sequence (JIS) manufacturing plants in Germany, the Czech Republic, Slovakia, Spain, England, Mexico, the US, Canada, and Korea.

Organic Infrastructure

As to be expected in a globally distributed manufacturer like HBPO, a range of SAP systems have become established over the years. For historical reasons, two different SAP systems with different releases were used in the US and Mexico – making operation and support both expensive and time-consuming. In addition, the Mexican system was based on old technology and needed to be upgraded to a newer release.

Shared Services

Furthermore, company management wanted to uniformly control the activities in the NAFTA countries (Canada, the US, and Mexico) and introduce shared service functions. The processes and structures previously used at these locations were all different – making consistent control of business processes and the use of shared services very complex. This motivated HBPO to launch a project to merge the Mexican and central North American SAP systems.

SHC-Framework

“We chose cbs Corporate Business Solutions as our consulting and implementation partner. We were impressed by the holistic methodological approach adopted by cbs experts, which enabled them to quickly identify and manage complexities at process, system, and data level.

They have already applied this approach successfully to all the strategic planning aspects of the project”, explains Bjorn Bammens, CIO at HBPO, justifying the selection of the Heidelberg-based restructuring specialists for SAP systems.

Furthermore, cbs has vast expertise in standardizing processes for international businesses and was already working with a proven tool to support the technical system consolidation – namely their own standard software, SHC Framework.



cbs 

CORPORATE BUSINESS SOLUTIONS

Strategic Blueprint

In the early summer of 2009, project planning began - and within six weeks, cbs and HBPO had together devised a strategic blueprint.

Concentrated workshops were held to examine in detail all the relevant aspects of the upcoming consolidation project and to define a consistent project approach.

This focused on harmonization requirements, optimization requirements, structure definitions, migration strategies and objects, workbench objects for conversion, interface analyses, a language concept, test system and transport strategies, the cutover approach, training strategies, and needless to say, a detailed project plan for the realization phase.

R/3 4.6c & ERP 5.0

The project team's first task was to merge the ERP systems in Mexico and the US. R/3 Release 4.6c was still being used in Mexico, whereas ERP 5.0 was already in use in the US.

The aim was to deactivate the old system in Mexico upon project completion. It was also important to HBPO that only relevant data (rather than the entire dataset) be transported during the merge. This deman-

ded a process in which selected data and all its corresponding historical data could be moved to the new system. With their business-object-based approach and tool-set for system consolidation, cbs was able to excel in tackling this challenge.

HBPO also took this opportunity to standardize their reporting structures - which now enables its employees to work with a uniform controlling area and a uniform chart of accounts. The SAP system in Mexico was deactivated after a short transition period following the go-live on January 4, 2010.

New General Ledger

All these measures enabled the company to reduce the number of different systems and versions it used, further standardize its IT structures, and harmonize its processes. The just-in-time (JIT) process is now standardized across all countries, for example. After a seamless functional transition to the new SAP ERP general ledger, which provided another opportunity for the SHC Framework to demonstrate its versatility, accounting also benefited from the new integrated processes.

Thanks to the expertise at cbs, the financial accounting data from the old general ledger was migrated to the new general ledger in one single step when the

systems were merged. This was required since the new general ledger was already being used in the target system, whereas the old general ledger was being used in the source system.

Fully Centralized

Since January 2010, all NAFTA locations are working with a central system. HBPO considers all its objectives met.

"We have calculated that the project will have paid itself off within two and a half years," concludes Bammens, CIO at HBPO. The advantage of a standardized and harmonized ERP system is that business activities are comparable and transparent across all locations.

Despite the standardization, the systems can still be tailored to meet local needs and satisfy legal requirements. However, there is still some way to go before the ultimate goal is reached. The automotive supplier plans to merge the SAP systems at its European locations into one SAP system as of mid-2010.

