Two Become One!

SAP System Merge at KSB AG

Consolidated systems, harmonized variants, optimized sales process: German-French relations in unison

Products in two separate systems, a legacy system without maintenance, and the desire to combine order configuration and customer supplies across all countries: all good reasons for KSB to merge the SAP ERP systems of the French subsidiary with the system at the headquarters in Frankenthal.
It was not a straightforward undertaking, but a successful one. Besides technically consolidating the systems on the way to a comprehensive data migration, implementing an integrated European sales process brought with it additional requirements in terms of harmonizing processes, structures, and data. But it was worth the effort.

Today, the KSB employees at a French location and their Spanish counterparts can carry out their sales processes together with around 20 other Group companies in one combined system. As all of the data and products are available in one SAP system, KSB customers now receive their requested products in one joint order and it is all delivered on the same day.

Headquartered in Frankenthal in the state of Rhineland-Palatinate, KSB AG manufactures pumps, valves, and related systems. The German parent company operates an SAP system which acts as the leading system on all five continents and centrally controls the master data and its distribution. The French subsidiary, KSB S.A.S., previously had its own SAP system for the valves division. To reduce the operating costs and enable an integrated process for configuring and processing orders for pumps and butterfly valves, the aim was to merge the two SAP systems into one. The primary objective of the system transfer was to enable France and Germany to sell related products. The aim of the project was to enable identical sales processes at the German and other European sales agencies. Reducing the total cost of ownership (TCO) by creating a homogenous IT landscape was also a valid argument in favor of the SLT project.

The project was driven by IT considerations as well as from a business department perspective. The French system was still on release 4.5 B, whereas the central ERP system for the EMEA countries was already using ERP 6.0. By consolidating the systems, it was possible to avoid a further release upgrade to ERP 6.0. However, the business department was the greater of the two drivers. In the local French system, the production and sale of butterfly valves were mapped. However, KSB customers often buy pumps and valves together and require them at the same time. With the separate systems, it was not possible to place a combined order and deliver them together. Consequently, the customer received two deliveries, sometimes on different days; a situation which the business department desperately wanted to resolve.

Process Differences

To take stock of the position and assess the initial situation, the existing SAP systems were first analyzed in detail. The P14 SAP system at the KSB headquarters had also served as the leading system for the master data in the past. After the system had been analyzed, it was noticed that, although master data was stored and distributed centrally in the EMEA system, there were some considerable differences in the data content which were impeding the desired standardized process development via one SAP system.

There were also different upstream configuration systems for the SAP systems which helped to derive the correct end products. These systems were also standardized and, as a result of this, the SAP configuration models also had to be standardized. To standardize the various data objects – from the material master to the dependencies – and to define the migration rules that they required, it was necessary to look closely at the business-related connections and to analyze the processes and data in detail. For this, KSB commissioned the Heidelberg company, cbs Corporate Business Solutions. To enable the technical system transfer, it was first necessary to draw up a complex mi-
As straightforward as the „Two Become One” task seemed at first, the devil – as is so often the case – was in the detail. The SAP systems that were used for the valves and pumps turned out to be considerably more diverse and distinctive than they had initially appeared. Unraveling the complexity of the SAP system landscape that had evolved over time and, at the same time, tackling the engineering group’s other internal projects was a task of mammoth proportions for the French, Spanish, and German employees at KSB.

The target system did not become unnecessarily bloated because only parts of the history (including the documents needed for the document flow) were transferred. Ultimately, it was possible to genuinely harmonize the variant models, and thus achieve a comprehensively integrated product configuration.

**Benefits**

This system merge enabled the KSB Group to not only reduce the cost of its day-to-day operations but also standardize its sales and reporting processes. The strategic benefit that the Group was able to gain from the successful SLT project becomes clear when we examine the sales processes. „Customer-focused and flexible” is KSB’s motto, which is why the company has got closer to its customers in recent years with regional sales units.

But regional proximity is only one aspect that contributes to the global success. The second is understanding the complex needs of the customer and how to fulfill them. Following the system merge, the sales employees can find all of the KSB products in one shared system, such as the corresponding butterfly valve for a pump. This enables the sales staff to put customized solution packages together and offer them as a single solution without any additional outlay or breaks in system continuity. If several products are being sold, only one order is required for the delivery and billing. Following the system merge, the operating procedures are not only more efficient but also generate more sales. The comprehensive reporting also enables the prospects for KSB products and services to be assessed across all markets and sectors, which is of benefit to new developments and innovations. After all, KSB operates a number of research centers around the world for hydraulics, materials technology, and automation.

KSB AG has more than 100 sales companies, manufacturing plants, service sites, and research facilities around the world. The 16,000 employees generate revenues of more than €2 billion each year. The main product of the KSB Group is centrifugal pumps. www.ksb.com