



**LITTELFUSE**

**SAP BUSINESS TRANSFORMATION STUDY**

**AT A GLANCE**

<b>Industry</b>	Industrial machinery and components
<b>Revenue</b>	US\$534.9 million
<b>Employees</b>	5,650
<b>Location</b>	Des Plaines, Illinois
<b>Web Site</b>	www.littelfuse.com
<b>SAP® Solutions &amp; Services</b>	SAP® Business Suite family of business applications

Littelfuse Inc. is one of the world's leading suppliers of circuit protection products and expertise. From delicate microcircuitry to large industrial machinery, Littelfuse produces vital components for virtually all types of products that use electrical energy. These products enhance safety, reliability, and performance by protecting against short circuits, voltage surges, electrostatic discharge, lightning, and load switching.

**Key Challenges**

- Aggressive growth-through-acquisitions strategy
- Short product life cycle driven by innovation
- Unsupported legacy systems
- Complex software landscape
- Presence in multiple countries
- Need for globally consistent customer-facing processes

**Why SAP Was Selected**

- Best fit with business growth projections
- Ability to tailor solution configuration
- Adaptability to changing business requirements
- Integration and scalability of products
- Commitment to organic growth
- Investment in research and development
- Financial health and corporate longevity
- Global reach

**Implementation Best Practices**

- Well-defined business strategy
- Strong executive sponsorship
- Focus on master data conversions
- Use of configuration templates for quick rollouts
- Establishment of core implementation team

**Low Total Cost of Ownership**

- Smaller IT support staff than before the transformation
- Twice the number of users
- 3 times the number of sites

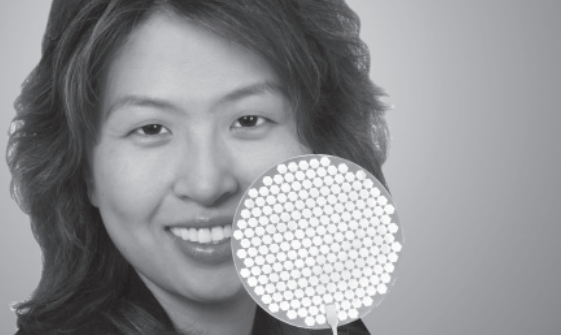
**Financial and Strategic Benefits**

- Fast integration of new acquisitions, some in less than 3 weeks
- Global visibility of information such as inventory levels
- Improved ability to measure performance
- Reduced risk through auditability
- Increased system stability
- Improved ability to accommodate growth and complexity

**Operational Benefits**

<b>Key Performance Indicator</b>	<b>Impact</b>
Order fill rates	+12%
Pricing management efficiency	+25%
Shipping throughput	+35%
Days in inventory	-25%
Effort to close books	-75%





**“We have always found that SAP has the solutions we require. Ease of management of SAP applications conforms to every business requirement we had.”**

Ed Earl, Director, Global IT Applications, Littelfuse Inc.

**“Simply put, SAP works. Calls in the middle of the night are part of the past.”**

Srinivas Reddy, Director, Global Application Operations, Littelfuse Inc.

### **The “Power of One”**

Littelfuse Inc., a major supplier of circuit protection products, achieved its market leadership position in part by following a growth-through-acquisitions strategy. Recognizing that business system commonality is key to truly integrating new corporate members into the fold, Littelfuse management formed a vision of consolidating all its global locations into a single, unified software environment. Now, with SAP® applications as the basis, the company has almost completely finished its “Power of One” accomplishment.

### **A Short Path to ROI**

In the past, Littelfuse’s IT systems placed artificial constraints on growth. Littelfuse recognized the need for a new generation of business applications that could support increasing business complexity and ever-rising customer demands. With its full suite of applications, SAP was able to offer solution configurations for all the unique needs of the Littelfuse environment. Littelfuse deployed the SAP Business Suite family of business applications and a set of best practices for using them that SAP distilled from the experiences of customers with similar profiles. The SAP software allowed Littelfuse to consolidate many existing applications into a single enterprise resource planning solution, which enabled the company to immediately start reaping a return on its investment and finally begin realizing its “Power of One” vision.

### **Savings Throughout the Organization**

Through improved end-to-end support and the use of best practices, Littelfuse has streamlined and automated a number of critical processes. In financial processing Littelfuse shortened its month-end closing cycle time from 11 days to 3, and in the order-to-cash process it implemented functionality that allows customers to order a portfolio of products sourced from

multiple locations in a single order-entry session – excellent examples of the “Power of One.”

The visibility afforded by a single unified source of business data allowed Littelfuse to improve order fill rates by 12% while reducing days in inventory by 25%. The company centralized its pricing management and created the capability to make mass changes when necessary, boosting efficiency by 25%. The solution’s warehouse management functionality allowed Littelfuse to improve shipping throughput by 35%. By integrating an automated business-to-business technology into its SAP solution, Littelfuse further increased productivity and decreased manual labor.

### **Making Consolidations a Science**

Littelfuse became so skilled with SAP technology that it can now set up SAP configurations for third-party logistics warehouses in less than a day. With the rapid rollout methodology the company developed, which focuses on master data conversions into existing business models, Littelfuse has taken advantage of its SAP technology proficiency to quickly bring new business units and acquisitions under the SAP umbrella. In the five years since the original go-live, the company has extended its SAP solution to 19 business operations in other locations. Conversions have been very fast, taking as little as three weeks for simpler cases such as sales centers. New groups typically become just as adept with the SAP applications as the parent organization within a few months.

### **Looking Ahead**

With SAP Business Suite firmly in place throughout the organization, Littelfuse is now evaluating the use of additional SAP functionality such as human capital management, global trade, and transportation management.