



SIMONA

SAP® ERP AND SYCOR SOFTWARE HELP PLASTICS LEADER GROW MORE THAN 10% ANNUALLY

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Peter Schantz, IT Director, SIMONA AG

QUICK FACTS

Company

- Name: SIMONA AG
- Location: Kirm, Germany
- Industry: Mill products
- Products and services: Semifinished thermoplastic pipes and fittings
- Revenue: €263 million (in 2006)
- Employees: 1,101 (in 2006)
- Web site: www.simona.de
- Implementation partner: SYCOR GmbH

Challenges and Opportunities

- Simplify demanding manufacturing processes
- Consolidate siloed applications
- Optimize business processes
- Facilitate access to business data
- Increase IT support for growth and globalization goals

Objectives

- Create a single, integrated, uniform IT solution for the entire enterprise
- Achieve near-real-time controlling
- Simplify business processes
- Provide easy access to necessary information for all employees
- Double sales within 10 years without additional resources

SAP® Solution and Services

SAP® ERP application

Implementation Highlights

- Completed deployment on schedule despite complexity
- Integrated new archiving and warehouse management software with SAP ERP and SYCOR software
- Involved 400 users, with more to come
- Enabled future rollout to subsidiaries

Why SAP

- Understanding of the plastics industry and support for its specific processes
- Ability to provide for standardized business processes across entire value chain
- Integration across all departments and business units
- Support for globalization goals

Benefits

- Consistent, efficient business processes throughout entire value chain
- Rapid availability of information for planning and decision making
- Single view of production situations and all required data
- Seamless access to sales orders, requirements data, and supplies availability
- Average annual revenues growth of 10% with no increase in internal resources

Existing Environment

Heterogeneous business systems

Third-Party Integration

- Database: IBM

SIMONA

SAP Customer Success Story
Mill Products



Already one of Europe's leading suppliers of semifinished thermoplastics, SIMONA AG has bold plans to extend its global reach. In fact, the company set a goal several years ago of doubling its revenues within a decade. Rather than build up expensive internal resources to achieve this target, SIMONA invested instead in software from SAP and its partner SYCOR GmbH, a plastics industry expert. With help from these applications, SIMONA has increased its efficiency so much that revenue increases are averaging more than 10% every year. SIMONA is well on track to exceed its ambitious 10-year objectives.

Optimizing Planning Processes for Plastics

SIMONA is achieving all this success despite many obstacles that are typical in the plastics industry. The products the company supplies to the automotive, engineering, chemical, and other industries are manufactured using an extremely demanding extrusion process that is complicated by the need to frequently clean machinery and change materials. To minimize labor, SIMONA combines production orders into what it calls "campaigns," which in the past were planned using a proprietary software package.

This software was optimized for scheduling individual machines rather than the complex scenarios involving multiple operating processes that are required for competitiveness in today's market. It was an island of automation, poorly integrated with the rest of the business's applications – like many other such IT islands that hampered communication throughout the organization.

Much of the information on tools and materials that employees needed to maximize productivity was locked away in these silos.

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The problem was by no means confined to manufacturing. Production used one legacy application for accounting and materials management, while distribution and logistics employed different applications, and subsidiaries and global locations used still others – none of them connected with headquarters in

a uniform way. The disparate IT landscape led to inefficient business processes across all the company's departments and locations. It also made it difficult to make informed decisions in a timely way and posed serious obstacles to continued growth and globalization.

Engaging Partners Who Know the Industry

To improve this situation, SIMONA established the Logistics 2010 initiative in 2000, which called for totally rearchitecting the company's IT solutions and the business processes that used them. "With Logistics 2010 we jump-started the required changes at the operating level," says Jochen Feldmann, CFO at SIMONA. "We searched for potential optimizations throughout the entire group so that we could double our sales within 10 years – and do so with the same resources."

The centerpiece of the plan was the adoption of a single, integrated, uniform solution spanning the entire enterprise. This solution would replace all the legacy systems and improve business processes throughout the value chain. "We chose the SAP ERP application because of its support for near-real-time controlling even for subsidiaries, simplification of day-to-day activities, and standardization of processes up and down the value chain," says Peter Schantz, SIMONA's IT director. "SAP ERP provides access to information of any kind for every employee who needs it and is easily expandable to



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accommodate rapid growth in existing business units as well as the incorporation of new ones.

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Meeting Schedule Despite Complexity

A team from SYCOR worked closely with SIMONA to implement the new software in phases, starting with accounting, controlling, purchasing, and materials management functionalities. At the same time, SYCOR implemented new document-archiving FileNet software from IBM and integrated it with the SAP® ERP application. After

Although both phases were massive undertakings, the team completed them on schedule. By the time the second phase went live, the new solution supported all the company’s processes across the entire value chain.

Achieving Transparency and Operating Comfort

“The new transparency we have enables us to plan more cleanly and make decisions more easily,” says Hans-Henning Wagner, director of materials management at SIMONA. “We can now quickly make any recalculations required to improve production because we have all the necessary information on tools and materials in one place.

“Employees operate the cockpit intuitively because they set the layout according to their own needs,” Wagner adds. “They can therefore obtain a

“We are especially pleased with the on-time implementation we accomplished despite the complexity of the project,” says Schantz proudly. “We have created a new solution that is tremendously important for our future growth. For the first time we have been able to optimize our cross-departmental processes. Our new IT environment optimally supports SIMONA’s growth and internationalization strategy.”

Growing 10% Annually, Ahead of Target

But SIMONA knows that there is still much to do. With further training and process optimization, efficiency will rise even further. Already 400 of the firm’s 1,000 employees use the software – and the number is rising. Next in line are the company’s subsidiaries, which will be encompassed under the solution’s umbrella in phase three of the project.

The numbers prove that SIMONA is on the right path. The company is experiencing an average annual growth rate of 10% while holding internal resources constant. If this success rate continues – as the company confidently expects – SIMONA will achieve and surpass Logistics 2010’s ambitious goal of doubling revenues within a decade.

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completing this first phase, the team continued by implementing further SYCOR planning cockpit functionality for production planning and control. They also integrated the solution with new software SIMONA had acquired for sales, warehouse management, and production.

single view of the production situation and can plan campaigns and sequences more quickly and easily. They also have immediate, seamless access to information that was remote in the past, such as sales orders, requirements documents, and supply situation reports, which greatly increases their comfort level.”



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