



Hella

Process standardization and harmonization with SAP

More than 22,800 employees worldwide and total sales of approximately 3 billion Euro make Hella KGaA Hueck & Co., with its innovative vehicle lighting and electronics products and systems, a global player in the international automobile supply industry. Even as early as 1899, the company produced lighting equipment for the first Benz and Daimler vehicles. Today, Hella's portfolio includes xenon headlights, adaptive lighting, LED lights, interior lighting, air conditioning systems, signaling systems, on-board networks, and complete vehicle modules.

Hella selected Siemens IT Solutions and Services as its strategic consulting partner for a company-wide SAP-based process standardization and harmonization project. The goal was to make corporate processes faster, more efficient, and more flexible: A forward-looking decision in a market that is characterized by tough competition.

The project

With its new software solution, SAP R/3 IS Automotive, Hella aims to adapt business processes to the harsh competitive conditions on the global automotive supplier market. The company commissioned us to map the "Order-to-Delivery" business process to SAP on the basis of the best-practice processes used at SAP Automotive. Implementation of the resulting master solution, with its standardized and harmonized processes, has been in use at Hella's own plants since late 2003. Worldwide rollout, at approximately 20 production sites, is scheduled for completion by the end of 2007.

The challenge

The competitive edge – global presence, top quality, and lower costs – requires certain conditions, with company-wide standardized and harmonized processes playing a vital role.

"We were one of the first automotive suppliers, if not the first, to use the Flexframe architecture. With Flexframe we achieve better process, software and infrastructure standardization."

Stefan Osterhage,
CIO, Hella



- Standardization of all core processes and integration of existing SAP solution components in line with SAP best practices
- Ensuring that all production and delivery processes operate smoothly, including during the conversion

The benefits for Hella KGaA Hueck & Co.

- Master solution as a basis for globally standardized and harmonized processes
- Cost- and time-efficient rollouts using the master solution at all locations
- Homogeneous system environment with standardized interfaces
- Lower costs due to the elimination of high-maintenance legacy systems
- More process transparency, particularly in internal processes (internal customer-supplier relationship)
- Better information and more transparency won by detailed profitability and market reporting and extensive analysis functions
- SAP APO for efficient company-wide sales and production planning
- Establishment of a company-wide sales forecasting system as input for production units
- Optimized planning through tight coordination of primary and sales planning
- Greater efficiency won by the connection to operational production planning system in SAP

The solution for the Order-to-Delivery core process

The project consisted of four phases:

- Study of strategy
Definition of the degree of standardization
- Global Program Setup
Detailing and alignment with best-practice processes
- Global Business Blueprint
Detailed process analysis and coordination with Hella companies; customizing and creation of master
- Global Rollout Pilot
Implementation of solution

Our services

- Design of the Order-to-Delivery processes in accordance with best-practice processes for the automotive industry
- Advising and coaching of the implementation team in automotive processes and SAP functionalities for the entire project duration
- Creation of the master and implementation of the complex solution within a tight time framework
- Implementation of the overall SAP solution at the Recklinghausen plant
- Concurrent implementation of Order-to-Delivery at four additional sites
- Integration of the system into the existing solution environment
- User training
- Cut-over planning and execution, including extensive ramp-up support

Technical basis

- SAP R/3 IS Automotive
- SAP APO Demand Planner (Advanced Planner & Optimizer)
- Oracle Database
- Linux, FSC Servers, Flexframe



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