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Supply Chain Management with mySAP.com
fischer group: Getting Closer to the Customer - With SAP APO

The successful implementation of SAP APO at its plant in Emmendingen, Germany, in September 1999, has laid the foundations for an enterprise-wide solution with event-driven process chains. Ultimately, SAP APO will support four production plants and 20 distribution centers.

Aiming for One Billion DEM in Revenues
The fischer group, headquartered in the Black Forest, Germany, generated revenues of 642 million DEM in fiscal 1998, with over half being earned abroad. "This has brought us significantly closer to our goal of reaching one billion DEM in revenues," comments CEO Klaus Fischer. And the payroll is on the increase, too. At year-end 1999, fischer had some 2,900 employees, 1,850 of them based in Germany.

Supply Chain Management –
The Key to Greater Customer Orientation
SAP APO, the advanced planning and scheduling tool within SAP's Supply Chain Management solution, has been in use since September 1999. The project, managed by IDS Scheer AG, involved the replacement of a legacy production planning and control system, and the simultaneous introduction of SAP® R/3® and SAP APO. Despite an extensive testing phase, it took only nine months to go live with both systems at the Emmendingen plant. This represents the first step towards an integrated, enterprise-wide solution designed to improve responsiveness. As Fischer himself emphasizes, "Supply Chain Management is the key to greater customer orientation – both internally and externally."

fischer group is employing SAP APO (Advanced Planner & Optimizer), part of SAP's Supply Chain Management solution, to control the planning and distribution of materials. The company is using SAP APO not only to optimize its supply chain, but also to model its production logistics flexibly and efficiently.

*Closer
to the Customer*

In view of rapid business growth and an increasing variety of products, the legacy solution, using a number of disparate planning systems, was simply too inflexible. What fischer needed was automated materials planning in real-time with event-driven process chains.

Moreover, the legacy system was not capable of modeling the proposed inter-company production processes within the fischer group. SAP APO offered the answer, enabling fischer to establish an integrated, enterprise-wide solution and get closer to its customers.

Integrated Planning, Control and Execution

SAP APO plays a central role in fischer's plans for supply chain optimization. Planning, control and execution are seen as different aspects of one and the same process, and this approach cannot be supported by a conventional MRPII solution. Modeling the entire supply chain from vendor to customer, and ensuring real-time integration throughout the IT environment was vital to improving competitiveness.

Implemented in conjunction with the R/3 System, SAP APO paves the way for continuous improvement at all levels. Numerous storage sites as well as putaway and picking steps will become redundant in future, and relationships with both customers and suppliers will improve. With SAP APO it is possible to requisition materials with ease and speed, even during the order planning or detailed scheduling phase. fischer has an ambitious goal: In future, it should be possible to directly requisition at least 80 percent of materials needed for production via SAP APO, ensuring that they are delivered at precisely the time and in precisely volume required.

Better Customer Relationships

According to project managers at fischer, implementation of SAP APO has increased material requisition and purchase order transparency, and contributed significantly to closer and better customer relationships. Processes are now more customer-friendly, better tailored to requirements, and more timely. Implementing SAP APO has brought significant benefits all round, and fischer expects to see a return on its investment in as little as two years:

- Fewer putaway and picking steps
- Considerably reduced inventory levels
- Optimized inventory distribution
- Minimized material requirements fluctuations
- Shorter transaction times
- Reliable control data

Ten Percent Increase in Productivity Expected

The introduction of SAP APO and of continuous improvement strategies has significantly improved efficiency. In fact, fischer is expecting a ten percent annual increase in productivity without having to raise staffing levels.

Following successful implementation in Emmendingen, SAP APO is to be deployed at the group's other sites in the course of 2000.

Hardware and Software

- R/3 System with the modules
  - Financial Accounting
  - Controlling
  - Materials Management
  - Production Planning
  - Sales and Distribution/RV (R/2)

- SAP Advanced Planner and Optimizer with the modules
  - Supply Network Planning
  - Demand Planning
  - Production Planning/Detailed Scheduling
- Hardware: Compaq
- Operating system: Windows NT
- Database: Oracle
- End users: Approx. 20, 2nd stage approx. 80

"For fischer, APO means more than planning and distributing materials. We want not only to optimize our supply chain, but also to model our production logistics more flexibly and efficiently."

Alfred Haas, Information Systems Manager, Development/Production