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DELIVERING COMPETITIVE ADVANTAGE

Order processing in the automotive industry

CASE STUDY

voestalpine Gutbrod integrates online price agreement data automatically in SAP

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SAP with Lixto and WSW SPEEDI web-based solution keeps price agreement data up-to-date

Automotive supplier voestalpine Gutbrod has improved the processing of purchase agreements with its customers through the use of a web process integration solution from Lixto within its order processing system. This automatically extracts price agreement data from the web portals of its customers, then prepares and further processes orders in the company's proprietary SAP system. voestalpine Gutbrod gains a competitive advantage because it saves time and money as price agreement data are always up-to-date. Productivity improvements are made through a higher level of internal process transparency, shorter process cycle times, lower process costs - and improved data quality.

voestalpine Gutbrod, a subsidiary of Voestalpine, is a supplier to the automotive industry, developing and manufacturing metal parts (punching, forming) and modules (assembled units, safety and collision absorbing components). The company is an OEM supplier to nine car manufacturers, including Daimler, VW, Audi, BMW and 13 automotive suppliers. There are two production sites: Dettingen, its headquarters, and Schmölln in Thuringia.

voestalpine Gutbrod's four employees who are responsible for the receipt of orders are faced with a variety of tasks because the company offers a wide and complex range of raw parts, mounting parts and assemblies. The order receipt department at Dettingen centrally processes incoming orders; maintains accounts receivable data; organizes the entire electronic data interchange (EDI), involving 163 debtors and 27 creditors; and manages the warehouse system, which encompasses delivery and service centres with 23 warehouses. Other tasks include the maintenance of all voestalpine Gutbrod sites.

At the beginning of every year, processing has to be undertaken for 150 price agreements and/or amendments, comprising up to 740 items relating to several plants. And
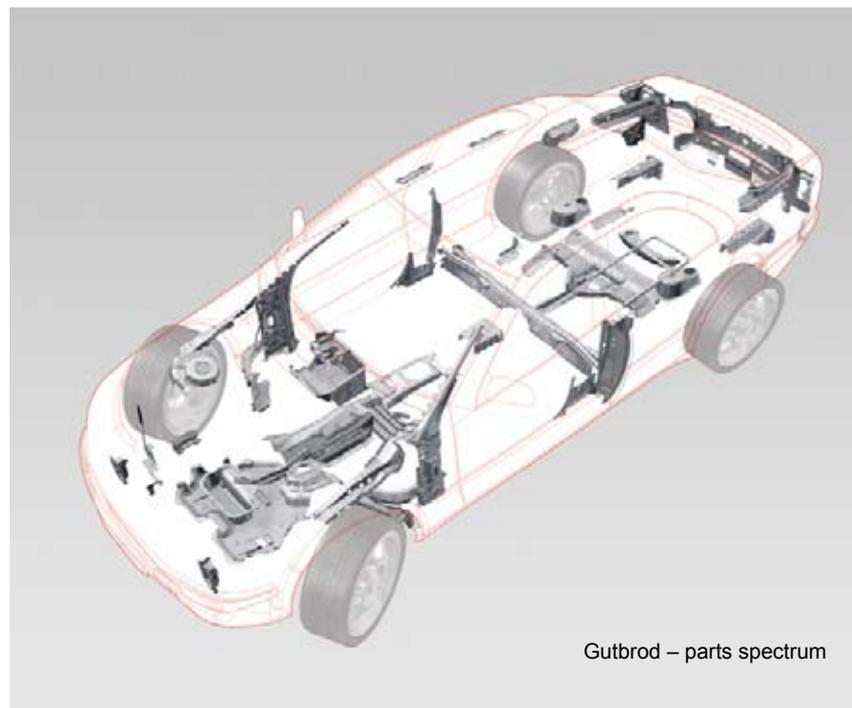
Gutbrod – parts spectrum

it doesn't end there. Throughout the year, there are another 450 or so price agreements and amendments plus quarterly changes for all 50 aluminum or stainless steel parts. All this totals about 2,700 delivery schedules in addition to about 700 individual orders per year.

Before integrating online price agreement data automatically in SAP with Lixto and WSW SPEEDI voestalpine Gutbrod processed

customer purchase agreements manually. This led to a large workload and meant certain operations were simply not possible. For instance, the published prices on the customer portals of Daimler, Audi, and VW could only be monitored and maintained by hand. Documents needed to be downloaded, saved, reviewed and captured manually in voestalpine Gutbrod's SAP system. The change from the customer's material number to the number used by voestalpine

Gutbrod also had to be done by hand. Furthermore, neither a price history nor evaluations were available for savings and additional charges.

In seeking an automated solution voestalpine Gutbrod studied a number of alternatives including the common offer of two competitors and the price update monitor of WSW, a Lixto partner, whose integration platform voestalpine Gutbrod was already using for automating order and delivery processes.

Aims: Quicker, cheaper, easier, more transparent

The prime goals of the new automated solution targeted by voestalpine Gutbrod were to save time and resources; simplify the work flow; and improve data quality and transparency. It also sought to introduce prompt price entry to minimize differences in credit processing. Fully automatic processing of price agreement data, including automatic determination of voestalpine Gutbrod material numbers, would help to save more

time. Elimination of manual data entry was needed to enhance data quality through error-free entry, while also saving much time (particularly as agreements can include over 700 items). Automatic archiving was another time and resource saver in the company's sights. In addition, voestalpine Gutbrod wanted to achieve an increased level of transparency (because price components such as material price surcharges can be applied individually) and easier price reviews as price differences are displayed as percentage and in relation to the value.

Best value for money from WSW and Lixto

voestalpine Gutbrod decided to meet its needs using the WSW Software SPEEDI price update together with the Lixto web server. This was based on a number of clear criteria. Firstly, Lixto's web process integration solution offered a superior price-performance ratio compared to competitors' proposals. Next, voestalpine Gutbrod was already

using WSW Software SPEEDI, so there was no need for the company to co-operate with another software vendor offering new SAP software. Moreover, voestalpine Gutbrod can use WSW SPEEDI as a universal platform for all functions, such as delivery schedules, Daimler Chrysler's proprietary MTC processing, BMW's proprietary material flow solution (BeloM), Smart-EDL processing and the inventory processing of external logistics provider (EDL).

voestalpine Gutbrod has been using the new automated solution since the end of 2007, following a six-month development that established initial customer portal definitions for Daimler, VW and Audi, using blueprints and software requirements specifications. The Lixto services and SAP price update in WSW were then programmed to meet voestalpine Gutbrod's specifications.

Backend integration of price agreements with Lixto
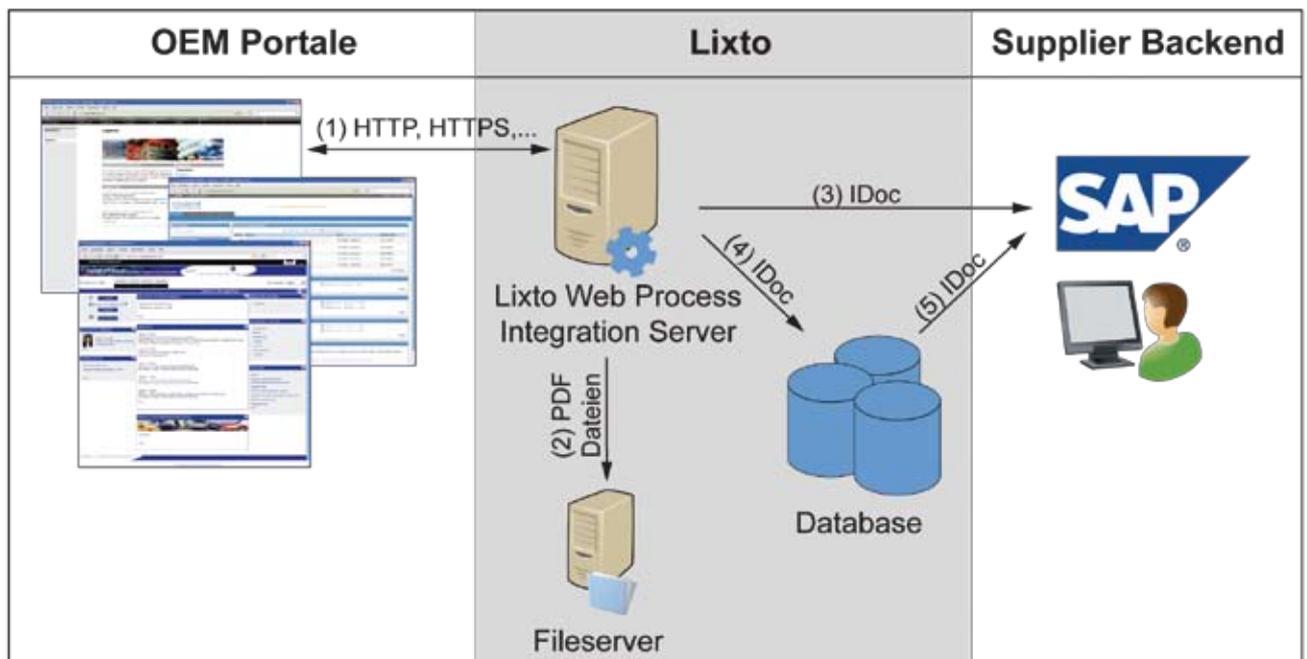
Technical support: Backend integration of price agreements using Lixto

In the implemented solution, price agreements are initially extracted from the VW and Daimler portals at a pre-determined time. Lixto then saves the modified PDF files on a file server, before sending the price agreements as IDocs to voestalpine Gutbrod's SAP system. If errors occur during the transfer of the IDocs (e.g. if SAP is not available), the data will be saved in a database. Lixto then tries to re-send the IDocs until the transfer succeeds. In a last step, SPEEDI merges the data into the SAP system's condition tables.

Benefits

"The automated integration of online price agreements in SAP enables voestalpine Gutbrod to transfer all data at once to the SAP condition table, instead of having to enter them separately for each plant," explains Walter Stotz, IT Director, voestalpine Gutbrod GmbH.

Further information of much value to voestalpine Gutbrod is delivered because a price history is provided for the first time, through the automatic updating. Another advantage is that missing agreements and special cases can now be requested.

The price update solution makes internal processes more transparent, shortens cycle times, lowers process costs and enhances data quality. According to Stotz, this greatly improves productivity within the order receipt work flow, enabling voestalpine Gutbrod to save about 50 percent of its previous total costs and input requirements.

Thanks to these time savings, employees can better focus on their core work. The automation also simplifies the information exchange of price agreements within departments.

Walter Stotz

Summary

Company
- voestalpine Gutbrod GmbH, Dettingen/Erms, Germany

Industry
- Automotive

Use
- Order processing, order receipt
- Price update, automated integration of online price agreement data in SAP

Existing situation and business requirements
- Inefficient, time-consuming processing of customer purchase agreements
- Unstructured processes and media applications
- Manual monitoring, editing and maintenance of customer portals
- Manual review and collection in SAP system
- Lack of price history and evaluation functions for savings and additional charges
- Manual changing of customer material number to voestalpine Gutbrod's internal number

Intention
- Minimize differences in credit processing by prompt price data entry
- Time savings in changing purchaser details using fully automated processing
- Time savings at the turn of the year thanks to automatic determination of the voestalpine Gutbrod internal material number
- Better data quality and significant time savings by eliminating manual data entry
- Time and resource savings through automatic archiving
- Improved data transparency, as price components (e.g. material price surcharges) can be applied individually
- Simplification of price review – price differences are displayed as percentage and in relation to the value

Solution
- Price update with WSW SPEEDI and Lixto web server
- Backend integration of price agreements

Benefits
- Simplifies substitute policy
- Price history delivers more detailed information
- Employees can focus on their core work
- Requests can be made for missing agreements and special cases
- Provides higher degree of internal process transparency
- Shortens process cycle times
- Lower process costs
- Improves data quality
- Enhances communication with OEMs

Future plans and developments
- Web Process Integration for quality and logistics departments

Technical infrastructure
- SAP Add-on
- Available for SAP Releases 4.6C to SAP ERP 6.0
- Based on SPEEDI integration architecture
- Easily expandable
- Free of modification

Lixto products
- Web Process Integration Services based on Lixto Visual Developer and Transformation Server

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Lixto Software