

SUCCESS STORY



Automation technology | SAP rollout | Pilz GmbH & Co. KG



SAP rollout for Pilz in Taiwan

Pilz, a manufacturer of automation solutions, has performed a template-based SAP rollout project in parallel to the setup of its new subsidiary in Taiwan. This enables the subsidiary to be incorporated into the central SAP ERP system from the outset and to use the SAP processes defined at the head office. Customizing was used to make adjustments to suit special regional requirements such as the Government Uniform Invoice (GUI) format for billing and the content and formats for financial reporting.



Template-supported SAP rollout for Pilz Germany linked to Taiwan with speed and efficiency

In machine and plant construction, in the packaging and automotive industries, in transport, and in many other areas, the use of automation, control, and safety technology has become indispensable. To enable machines, packaging lines, belt conveyors, and wind turbines to run smoothly, and above all safely and reliably, companies use the types of solutions and products that are developed, manufactured, and marketed by Pilz GmbH & Co. KG.

Pilz GmbH & Co. KG

Head office: Ostfildern, Germany
Sector: Industrial automation
Company size: 1500 employees,
revenue €168.4m (2010)
Web: www.pilz.com

Expansion supported by consolidated IT

The company based in Ostfildern, near Stuttgart, is a full-range supplier for automation technology and, with 31 subsidiaries and field offices, it is represented in all continents. Its products include sensors, electronic monitoring devices, automation solutions with motion control, safety relays, programmable logic control systems, and devices for operating and monitoring. Reliable bus systems, Ethernet systems, and industrial wireless systems are provided for industrial network communication. To remain globally competitive, the management constantly makes adjustments so that the company can continue to grow profitably and sustainably in the future.

"A major foundation in our business and IT strategy is the integration and consolidation of the SAP landscape with business processes that are consistent and harmonized across all sites and a smooth exchange of data," explains Mr. Rainer Wolf, SAP team leader at Pilz. SAP ERP is used for the business workflows, SAP CRM for the shop, and SAP GTS for customs and foreign trade processing. In terms of applications, all the companies worldwide are to be gradually consolidated in a central SAP client in Ostfildern. Twenty subsidiaries have already been connected to the SAP system.

Efficient rollouts with SAP template

Previously, SAP rollout projects have always been based on the specific process requirements of the individual subsidiary company. To save time and costs for future rollouts, Pilz has now changed to a template-based method: At the head office in Germany, processes

are defined as standards and then rolled out in the subsidiaries. Customizing is then generally used to adjust the SAP template to suit specific regional requirements, such as those related to financial reporting or billing.

"This strict template-based approach allows us to minimize the time and costs required for SAP rollout projects," explains Rainer Wolf. The SAP template includes ERP, CRM, and GTS functions. This method was used by Pilz in 2013 to connect the newly founded subsidiary in Taiwan, based in Taipei, to the central SAP system. The new subsidiary in the Czech Republic and the companies in Belgium and Canada were also connected in the same year.

SAP system installed during setup

To allow business processes in Taipei to run efficiently and transparently from the outset, the SAP rollout was performed in parallel to the setup of the new distribution site. The installation was commissioned to the IT service-provider ORBIS Consulting Shanghai. The ORBIS consultants from China trained the end users on SAP use in their own language, with training material also provided in Chinese. The estimated timeframe and budget for the implementation were complied with precisely.



The main success factors for the rapid implementation of the SAP template were the close, goal-driven collaboration and sharing of knowledge between ORBIS Consulting Shanghai and the process owners in Germany. The Pilz project team had a clear overview of the situation in Taiwan at all times, enabling it to make well-informed decisions. Thanks to regular project reporting, the executives in Taiwan and in Germany were also kept up to date on the latest implementation progress at all times.

Processes integrated from the outset

Pilz began using the SAP solution as soon as the new company was opened in Taipei. From the very first day, it was possible for job, order, material, and inventory information related to intercompany workflows to be exchanged between Taiwan and Germany with IT support.



From the outset, management in Germany had a clear overview of the data and value flows and the latest figures concerning the economic situation of the Taiwanese subsidiary. As business-related information from Taipei can be accessed from the head office directly, the logistical sales planning for the individual product families can now be performed with more precision.

Sales tax in GUI format

Billing and financial reporting must be performed in compliance with Taiwanese legislation. The Government-Unified Invoice (GUI) regulation specifies that in Taiwan, all companies obliged to pay sales tax have to provide a serial number on their customer bills or credit notes. This number is issued by the financial authorities, so that they can track bookings and payments precisely and check that the sales tax has been reported correctly.

To comply with this, Pilz organizes the data relevant to billing in the SAP template's DMEE format tree in accordance with the GUI format and displays it as FI document types. Some types of document could be allocated a specific GUI format at this stage, and others were not applicable because of the business model Pilz uses in Taiwan. All in all there were only seven GUI

formats that needed additional document types to be set up individually in the existing number sets.

Taiwan dollars rounded up and down correctly

The periodic reports for the financial authorities – the balance sheets, cash flow statements, profit and loss statements (P/L), inventory reports, and receivables statements – were compiled and reported with the correct content and in the correct format. The adjustments and extensions to the relevant SAP standard reports were performed by the ORBIS consultants.

Pilz also has currency-related challenges well under control, such as the problems of rounding the Taiwanese dollar. In certain cases in payment processing, it is not necessary to enter the specific amount of cents – the amounts need to be rounded up or down. “We clarified in advance when cent amounts need to be displayed and we then used the SAP standard transactions in the CRM and the ERP systems to implement a rounding logic that applies across all systems,” explains Rainer Wolf.

A model for further SAP rollouts

In the future, all new companies are to work productively with an SAP template as soon as business operations begin, on the basis of the successful SAP rollout in Taiwan. This will allow extensions of the SAP to be rolled out in the subsidiary companies more easily. An example of this is the setup of a SAP Business Warehouse in which the profitability analysis (CO PA) is to be performed.

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Mr. Rainer Wolf, SAP team leader at Pilz



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