

Melitta – optimally ‘filtered’ with IBM and SAP.



Overview

■ The Challenge

Centralized European-wide information processing using high-performance systems. Setting up an integrated data warehouse to optimise processes in sales, controlling, purchasing and logistics. Fast personalised access to corporation-wide data and information

■ The Benefit

Fast reporting, consistent data, less paper. More service in sales. Optimised planning and simulation. Better assortment management and materials planning. Shorter lead times and reduction of warehouse stock

■ The Solution

Industry: Consumer goods
Application: SAP® R/3® with mySAP® BI, mySAP CRM, mySAP SCM, mySAP EP, mySAP FI, mySAP HR
Software: Tivoli®; Oracle®
Hardware: IBM® server® pSeries™, IBM® server xSeries™; IBM Enterprise Storage Server®



Melitta – don't you immediately think of coffee and filters? A thoroughly enjoyable thought – worldwide. Yet other well-known brands, such as Toppits, Swirl or Cilia, also belong to the Melitta group; in concrete terms, the divisions Melitta Household Products Europe and Cofresco Storage Products Europe in Minden, Germany. They contribute around 46 percent of the total revenue of the Melitta Group, which was close to 1.1 billion EUR in 2001 achieved by approximately 3,800 employees.

Both divisions are currently creating a future-oriented European-wide information and communications basis using the mySAP solutions on IBM **@server** pSeries. This project is based on many years of positive experience in the SAP environment. SAP R/2 was introduced extensively as early as the beginning of the nineties. The move to SAP R/3 with nearly all its modules at that time took place in 1995. Since then, all European companies have been integrated into the central SAP system. Development, implementation and maintenance of the systems is today in the hands of is4, a relatively young IT service provider established by Melitta Benz KG and syskoplan AG, which is now successfully operating in the SME market of the consumer goods industry.

High Availability with pSeries and ESS.

"We are concentrating on IT management, IT operations and projects with the SAP solutions. Our particular focus is on business intelligence, supply chain management and customer relationship management," says Wolfgang Behrmann, director of IT operations at is4. "We rely on the performance, scalability and availability of the pSeries servers so that success is also safeguarded in system engineering."

Today, two IBM **@server** pSeries 670 with eight processors form the heart of the system architecture. They provide the top technology known from the high-end IBM **@server** pSeries 690 ('Regatta') servers: 64-bit architecture, true logical partitioning and extensive self-management functions for uninterrupted operation. 14 SAP systems are currently running on the servers. To ensure high availability, the two servers are physically separated by a firewall, but logically linked to each other by High Availability Cluster Multiprocessing (HACMP). Behrmann says, "As a result, we have a solution with high availability that matches a mainframe. The pSeries servers are ideal for efficient application systems with a high resource requirement. And above all: The price-performance ratio is right."

The most important components of the Storage Area Network (SAN) used at is4 are the IBM Enterprise Storage Servers (ESS). The ESS offers high storage capacity (at present, four terabytes are allocated for all the SAP systems), high security against operational failure, fast throughput and connection to the various server environments. An IBM LTO Tape Library for data backup is included in the SAN running under Tivoli Storage Manager. The Tivoli Enterprise Console is used to monitor the systems and the

appropriate functions of the Tivoli Management Suite are used for the efficient and consistent operation of the SAP systems and the database.

mySAP BI is the basis.

Since its introduction three years ago, the mySAP Business Intelligence (BI) solution at Melitta in Minden has developed into the central source of information. Throughout Europe, the system supports around 200 users in Sales, Controlling, Purchasing and Logistics with about 300 standard reports. Multi-Cube reporting links information from 50 to 60 InfoCubes. The largest of which (in Logistics/Deliveries) contains at present around 50 million data records; for some invoices and in Controlling the figures are close to 20 million. The data comes from the central ERP systems that are also used throughout Europe. In the same way as the data volume is expanding there, the size of the database is also increasing – to nowadays around 340 GB.

Employees increasingly use individual reporting. "The mySAP BI solution provides data, which is improved in quality and available more quickly. As a result, contexts become clear, trends



recognisable, and processes transparent", says Dr. Jürgen Engelage, senior consultant at is4. "In sales in particular, fast access to up-to-date consistent information is extremely important. It is our goal to give our field sales staff instant access to data and reports that are important for them." He

knows that office-based personnel are benefiting considerably, too. The current reports are available as early as the day after month-end closing. And all that in 'condensed form': Previously, 120,000 pages had to be printed per month, but today this process is completed with hardly any paper.

For better planning ...

mySAP BI is also important for marketing, and in particular, key account planning. In collaboration with Strategic Enterprise Management, all master, sales and other customer and revenue data is now easily accessible and available for planning (including contribution margin accounting). All data is available to simulate the effects of particular measures in advance. Dr. Engelage thinks, "It is only possible to improve the implementation of strategies and plan actions more effectively if we can estimate the potential results. As our SEM solution is based on the mySAP BI solution and is using the same metadata, we can now plan in greater detail and include more key figures than before, thus considerably improving our planning data."

... and more service in Sales.

Another component of an integrated, customer-oriented company information system is mySAP CRM (Customer Relationship Management). At the outset is Mobile Sales, which is initially made available to around 150 field sales staff in Germany and France, before the system is extended to the whole of Europe. "Customers can place orders directly with the field sales staff and we collect data on site from the retail businesses and analyse it thoroughly. As the data is also transmitted directly into our mySAP BI, we have created a closed loop scenario, which determines the profitability of retailers. This allows us to make well-directed investments into these business relations," says Dr. Engelage.

The right range ...

Previously, goods were tracked only to the retailers' central warehouses. Nowadays, category management helps to analyse the sales, revenue, stock and price data of the Melitta products entered directly in mySAP BI at the trading partners'. The data can be linked to the structure of the Melitta field sales staff in one step. Dr. Engelage explains, "This enables exact statements about which range does well, and where, and as the scanner data shows the requirement of consumers directly, we know more about customers today than we have ever done before."

... optimally planned and quickly delivered.

mySAP SCM (Supply Chain Management) is used to deliver exactly what retailers, and thus consumers, need at the right time. The focus is on: requirement-related auto-replenishment using Advanced Planner and Optimiser and Vendor Managed Inventory. An initial project has already been realised in co-operation with dm-Drogeriemarkt. At the start of the process chain is the transfer of current sales and stock quantities from the customer to Melitta. Taking the sales forecast at the retailer, as a starting point, the replenishment requirement for Melitta products is determined with the aid of cross-company sales and requirements planning. After availability has been checked in the Melitta warehouse, time and quantity-related planning takes place, and the logistics and delivery processes get under way. The planning tasks are completely eliminated for customers. They can concentrate on their core business. "A supply chain as it is meant to be" says Dr. Engelage. "Shorter lead times and less warehouse stock reduce costs and bring benefits on both sides."

Increased transparency through a portal solution.

Another step on the way to achieve full integration and circulation of all the company-relevant information is the recently completed introduction of an enterprise portal on the basis of mySAP Enterprise Portal. The system is running on IBM **@server** xSeries. Originally a pilot project in the Melitta parent company, all group companies are now included. This year, about 300 employees (of a planned 1,200



worldwide) will gain access to the new system. The Single-Sign-On functionality now enables fast personalised access to the relevant SAP systems and other applications, documents and services via a Web browser. Every employee gains a role-based user interface with links to the information, workflows, discussion forums, community forums and office applications that are interesting for him or her via the so-called iViews. Special business packages, such as the Employee Self Services from mySAP HR, are included. According to Wolfgang Behrmann, "Better and faster information means more knowledge about the entire company. Everybody, from management to every employee, now benefits from this knowledge transfer thanks to the future-looking SAP portal technology."

However, nothing is so good that it cannot be improved further. Consequently, Behrmann is resolutely

looking at the next goal: the move to SAP R/3 Enterprise. "We are pursuing our strategy of advancing the integration of all systems at all corporate levels." He is convinced, "With SAP R/3 Enterprise we will make further progress."



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