Gigaset

Business Intelligence:
Out with complex & cost-intensive,
In with flexible & efficient

The company

Gigaset Communications GmbH is one of the largest manufacturers of cordless telephones worldwide and the clear market leader in Europe for DECT telephones. With its headquarters in Munich, the company develops, produces and markets quality products under the Gigaset brand. Its portfolio includes telephones for the fixed line network, voice over IP models and telephone systems.

The challenge

When Gigaset was still a part of Siemens AG, the IT landscape was geared to the needs of a large corporation – with relatively higher operating costs than necessary for a medium-sized enterprise. This also included the use of SAP BW, SAP BI IP and SAP APO DP in the area of BI & CPM. This system landscape was very laborious overall – each modification, even the maintenance of user data, had to be undertaken by external service providers. As Gigaset carved itself out of the group, a new course of action arose and an ambitious cost savings program was set up. Planning was based on SAP BI IP and SAP APO, and reporting was based on SAP BW, all of which had continuously grown in complexity and scope over the years. The aim was to remove these systems as BI tools within just five and three months respectively as they were expensive and complex in terms of both maintenance and the support required. In addition to this, users required considerably faster performance from a new system.

The objectives were as follows: BI must become lower-cost and more efficient, and as a whole be sustainable and upgradable according to the requirements of Gigaset Communications GmbH.

The BOARD solution

Using a higher-performance and more user-friendly tool the initial goal was to completely replace the existing SAP APO DP/SAP BI IP solution (planning) and, as a second project step, the SAP BW solution (reporting) that Gigaset had been using for sales, turnover and margin planning. The fragmented planning processes relating to volume planning, the rolling value forecast and annual budget planning were to be merged within a single tool and the processes simplified and harmonized.

The long-term goal for the new BI tool was to cover the content of the following areas:

- **Financial/demand planning**
  - Sales planning
  - Reporting forecast
  - Administration (life cycle management, planning monitor)
  - Pricing, manufacturing costs, turnover and margin planning (forecast and budget)

- **Sales/logistics reporting**
  - Logistics and sales-related controlling

board

- **Variant planning**
  - Life cycle and pre-series planning for products

- **Material management**
  - Material stocks controlling
  - Purchasing and consumption reports

Thanks to strict time management, initial applications were able to go live in a very short period of time as planned: The individual country subsidiaries (approx. 20 worldwide) use BOARD for their monthly sales planning for example, and after logging into the Gigaset network they are directly connected to the BOARD server in Germany. Planning is stored for twelve months on a rolling basis and, in addition to the rolling order forecasts (ROF), special activities or the market launch of new products are also taken into account.

The outcomes of the ROF planning are consolidated and checked centrally in Germany by the Supply Chain department. This then forms the basis for the turnover forecast which is created from this and automatically forwarded to Controlling. Supply Chain also takes this data and uses it as the basis for creating a strategic plan in BOARD. This data is used as a basis for the entire supply chain management (SCM) chain from procurement to production control.

To enable this, the data is written back into the operating source system (SAP). Using a function specially stored in BOARD it is possible to transfer the requirements to SAP in a controlled manner. The factory calendar that is in effect in SAP is stored in BOARD. In a further step, the SCM can distribute the monthly requirements across the corresponding weeks according to customer behaviour and transfer this to SAP. All of the planning data/operating figures are version-controlled and made available to the company.

Furthermore, the outcomes are used as a basis for both the monthly financial forecast and the annual budget planning. In addition to the planned quantities, the corresponding prices and manufacturing costs for products are either downloaded anew from the SAP system to BOARD or, if they are not yet available, defined in BOARD and later transferred back to SAP. The main currency in the system is the Euro; other currencies are merged into Euro via various algorithms.

The reporting area within BOARD, produced by BOARD's long-standing implementation partner Qurius, contains globally standardized for Sales and Logistics which display the status quo compared to the plan and/or

forecast in seconds. Similarly, multidimensional ad hoc analyses can identify deviations and changes at any time. These in turn are able to be immediately analyzed within the report by drilling right down to the lowest level (e.g. product, customer etc). In this way, suitable measures can be deduced in a very short period of time and implemented where required.

A BOARD application has also been created for variant planning and product life cycle management. It is used for the planning of milestones in product development and among other things displays the pre-production capacity utilization in production. As various departments take part in the product individually configurable reports formation phase, each step must be accurately planned. This application makes it possible to view when what data from the various areas needs to be processed or when the devices are available to be marketed.

"Our goals were ambitious, but we achieved them: Finally we have a controlling and planning system that we business users look after and enhance independently, quickly and flexibly without having to bother our colleagues in IT. Displays and calculations that were previously unable to be effected with the SAP tools are now standard for us today with BOARD. "

Christian Welzmüller
Head of Controlling
Gigaset Communications GmbH

Industry
Manufacturing

Area of application
Sales planning
Pricing, manufacturing costs, turnover and margin planning
Logistics and sales-related controlling

Source systems
SAP, SharePoint

From the very beginning, Gigaset set the course for a high level of user acceptance thanks to strict project management and the intensive involvement of future users via opinion polls, special training sessions and even the formation of a Business Intelligence Competence Centre.

The customer's benefit

Today, BI is not only an important strategic component at Gigaset, it is also used in the operational business as the planning data is written back into the source systems as concrete production and purchasing specifications. Overall, the system has adjusted perfectly to suit the newly designed company structure: With the carve-out of Gigaset from the Siemens group structures, many aspects have been simplified and streamlined – this is now also reflected in the leaner processes that have been mapped with the aid of BOARD. All in all there are less individual steps, and many work steps have been able to be further automated and are now more closely interwoven with the entire supply chain. All of the activities are performed within BOARD, and there are no more disruptions as was previously the case. An example of the simplification and consistent working with one tool: previously Gigaset was able to define actual and planned values, but updating the values during the year (calculation of planned vs. actual) was only possible in Excel with the aid of complicated V-look-ups and linkages. In BOARD these values are automatically calculated and are available at any time.

Compared to SAP (as a BI tool), BOARD offers the additional advantage of being able to display data from various sources in one report. Therefore, for the first time ever Gigaset can show all of the figures from all of its global offices in one report, and at the same time it obtains a transparent view of the overall development.

The departments are able to operate more independently and flexibly as they can undertake enhancements and adjustments to reports and applications themselves, without the need for support from IT or any external consultants. Combined with significantly lower maintenance costs overall, this has ultimately led to enormous savings. IT costs in the areas of reporting and planning alone have been reduced by more than 90% with the discontinuation of SAP-BW, SAP-APO DP and SAP BI IP. As a result, even without taking into account the considerable business advantages, the entire project paid for itself after less than one year.