



Potential of SAP® variant configuration and SAP® for Mill Products solution at Klößner Pentaplast GmbH & Co. KG

## “One Face To The Customer And Production”

### Klößner Pentaplast Group

The Klößner Pentaplast group is the worldwide leading manufacturer of foils for packaging of pharmaceutical and medical products, food and electronic parts as well for general thermoforming, print and special applications. Founded in 1965 with initially one company in Montabaur (Germany) Klößner Pentaplast has in the meantime grown to 23 further production locations in 12 countries and makes a turnover of € 1,2 billion per year.

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### Initial situation

Klößner Pentaplast meets the challenge of consolidating their international production capacities for future growth. This requires worldwide manufacturing of products in the same corporate design - one face to the customer and production – and the centralisation of production specifications for an effective utilization of existing capacities.

### Solution

- ▶ Formulation and analysis of as-is situation
- ▶ Definition of new to-be processes
- ▶ Use of SAP® Best Practice recommendations variant configuration and SAP® MILL
- ▶ Consideration of business specifics

### Benefit

One face to the customer and production.

Clarity about obtainable prospective improvements

- ▶ Replacement of Add-Ons
- ▶ Storage of material knowledge in the system
- ▶ Reduction of effort in master data management
- ▶ Consistent and flexible prices
- ▶ Online calculation of manufacturing costs
- ▶ Increase in flexibility

The solution developed together with IDS Scheer enables Klößner Pentaplast to combine their different locations into one IT platform, to optimize their processes supported by the philosophy “make to order” and to bring the processes together for the objective “one face to the customer and production”.

*„The developed Business Blueprint with the dedicated detailed effort estimation offers a funded decision base to support the objectives and visions of Klöckner Pentaplast Group.“*

Jürgen Heibel – Manager IT Klöckner Pentaplast

## Initial Situation

The manufacturing of foils at Klöckner Pentaplast is heavily influenced by market specific requirements. The individual character of the product is defined by the customer within the order and the subsequent dimension varieties (length, width, height) give rise to a number of materials which have to be stored in the IT system. SAP® was implemented at Klöckner Pentaplast group in 1996 and the demands on SAP modules were defined starting with the headquarters in Montabaur. Using the best available technology at that time, Klöckner Pentaplast implemented a “make to stock” method about the determined definition of materials. In addition, the SAP system was adapted with diverse customer-specific developments to be able to put the “make to order” philosophy into practice.

Currently the acquisition of further locations is leading to a necessary consolidation of international production capacities. At the same time the approach “one face to the customer and production” is being put into practice to assure that products of the company always are launched in the same corporate design. This involves a centralisation of production standards in order to achieve effective utilization of existing production capacities. Klöckner Pentaplast sees the answer in the implementation of a new ERP software. For this purpose it will first of all be analyzed within a feasibility study as to what extent SAP Best Practice with variant configuration covers these requirements.

## Solution

To realise the feasibility study, Köckner Pentaplast was looking for an experienced partner. The company decided in favour of consultants of IDS Scheer based on its SAP expertise and its substantiated industry know-how, but especially because of the international presence with partners and subsidiaries in more than 70 countries. The project team was formed by consultants of IDS Scheer together with employees of Klöckner Pentaplast and started with the analysis of the as-is situation. Based on approximately 150 core processes, within twelve weeks the to-be situation as well the as-is situation was discussed using SAP variant configuration and SAP MILL for the areas Sales, Production Planning, Production, Quality Management, Dispatch, Material Management, Controlling and Technology and was defined in a Business Blueprint. Production in particular was investigated in detail as special requirements are covered by a manufacturing execution system.

On the basis of the defined to-be processes the final decision about the implementation of SAP Best Practice with variant configuration turned out positive. To verify this decision the project team also investigated these processes in more detail which required system-related discussion. For this purpose IDS Scheer consultants and Klöckner Pentaplast project team members built a prototype in

which they implemented the discussion-intensive functions as well as a complete “order to cash”-scenario. This prototype including the definition of the to-be processes simplified the decision about the subsequent procedure for defined business transactions and underlined the advantages of the SAP application.

## Benefit

The detailed process analysis supported by IDS Scheer consultants proved to Klöckner Pentaplast that a new implementation of SAP Best Practice with variant configuration and SAP MILL Solution will meet their requirements. The planned production consolidation will also be supported effectively with this solution.

In particular, the discussions about future processes should be highlighted as the risks and potentials were elaborated and defined. In this way, it was established that configurable materials can be defined correctly in the planned implementation of SAP Best Practice with variant configuration. Another decisive criteria was the aspect that defined dependencies of materials can be stored in the system with this new implementation. Up to know, the knowledge of material dependencies only existed in the heads of the employees.

The feasibility study also identified additional advantages: The old add-ons to the SAP system will be replaced by standard solutions which enable the continuity of process orientation. Furthermore, manufacturing costs will be calculated online and consistent but flexible sales prices will be managed with this new implementation. The effort for master data management will be reduced enormously using this uniform solution.

Alongside the reduction of complexity and customer-specific adjustments, the increase in flexibility and sustainability through the connection to SAP are especially elaborated as important reasons for the ERP implementation. Kai-Uwe Gundermann, IDS Scheer project leader points out: “I especially see the possibility of harmonisation of processes, organisation and master data as a decisive chance to make Klöckner Pentaplast fit for the market requirements over the next few years.” On the basis of these positive results, the project team determined the efforts for reengineering and roll-out using a bottom-up analysis and transferred them to a precise project plan.

Directly after the feasibility study, the implementation of the defined to-be processes will be carried out. After this, the roll-out to the PET-division with locations in Germany, Portugal and Spain will take place. A roll-out for the remaining locations including USA is planned for 2008. Based on the new template, the introduction of an advanced planning system and a customer relationship management (CRM) tool is also planned.