



Demand for RUD products such as snow chains can appear as quickly as black ice. With SAP HANA, employees can keep track of their customers' inventories in real time.

RUD Group

MANAGING COMPANIES IN REAL TIME.

SAP users are divided. Some see SAP S/4HANA as strategically important for their company. For others, it's just a new release. In reality, the In-Memory-ERP-Suite enables users to manage business processes in real time and roll out new business models and customer services.

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JANUARY 5, 2017: Winter Storm Axel has doused Germany in icy cold. After an initially mild winter, snowdrifts, gusting winds and black ice have caused countless accidents, especially in Upper Bavaria, which contains the northern reaches of the Alps. Snow chains are an absolute must in the mountains – for everything from snowplows to cars ferrying vacationers to the nearest ski resort. It's prime time for RUD, one of the leading manufacturers of anti-skid chains for cars, trucks and off-road vehicles.

Unlike some drivers, the family-owned company in Aalen is perfectly prepared for the sudden incursion of polar air from Siberia – thanks in no small part to SAP HANA and real-time data analytics. In 2015, the hidden champion started to modernize its IT environment and relocate it from a facility in Stuttgart to a T-Systems data center. "We went with SAP HANA right away since its in-memory technology and real-time data capability allow us to improve and accelerate several core business processes," said Zoltan Demeter, CIO of RUD, adding that all the processes

across the enterprise were designed to satisfy customers' needs and maximize their benefits. "This customer-centric strategy is one of our main success factors," he explained.

REAL-TIME CUSTOMER SERVICE

Sales and warehouse management are a case in point. Tablets are issued to sales representatives along with access to the ERP system. When they make face-to-face sales calls to customers, the employees can check whether certain RUD products are in stock, upload orders directly to the system and request the production of missing parts as needed. Since SAP HANA processes all data in real time, the sales reps always know the current inventories. As a result, they can immediately answer customers' questions, which improves RUD's service quality even more.

Back in the fall of 2014, Deutsche Telekom had presented RUD with the Cloud Champion Award in the Cost Cutting category for RUD-ID-Net,

its software as a service (SaaS) solution for test management. "We've been equipping our chain components with RFID chips for years and so can capture information on their condition worldwide. Our customers can use the data to keep track of the quality of our products any time they like. This cloud-based software perfectly supports our business strategy and vision of being a quality-driven, technological innovation leader," said Demeter.

REPORTS IN GREATER DETAIL

RUD's switch to SAP HANA is just the beginning. Step by step, the multinational mid-sized business plans to extend the benefits of real-time data processing to other business processes and fully integrate sales and production activities into the SAP S/4HANA global ERP system. Among other things, it intends to digitize financial processes such as accounting, reporting, cash management and budgeting. The chain manufacturer had previously used DB2 as its database system. "We're also benefiting from greater speed and detail since our integrated reporting now includes data from sales, materials management and production planning," noted CIO Demeter.

Switching to SAP S/4HANA is a technological journey that allows businesses to assess, streamline and future-proof their system environments. When paired with Fiori apps and mobile devices, the system gives CEOs and division managers anytime, anywhere access to relevant real-time reporting data such as balance sheets and income statements. "Customers can simulate different planning scenarios on the fly and enable fast, data-driven decision-making. From purchasing to production and logistics to sales, commercial managers just have to pick up a mobile device to retrieve operational reports on inventories or cash holdings and make forward-looking decisions based on that data," explained Teoman Bingül, T-Systems' expert for SAP HANA in the RUD project.

A migration to SAP S/4HANA, in other words, is not simply an upgrade to a new version of an old ERP system. It's a digital transformation project. Companies can leverage SAP HANA and real-time analysis of process data to maximize the benefits of digitization. In fact, a study conducted by Pierre Audoin Consultants (PAC) in November 2016 found that around 60 percent of surveyed users expect SAP S/4HANA to reduce

RUD

is a German family-owned company with around 1,700 employees and locations in over 120 countries on every continent. In 2015, the global player generated roughly 190 million euros in revenue from the production of chains for carrying, hoisting, pulling, lifting and lashing as well as off-road, tire protection and snow chains. Recognized as a "21st century hidden champion", RUD has built up a strong track record in IT, winning not only the national Best in Cloud 2013 software prize, but also the internationally respected Cloud Champions Award.

"WITH SAP HANA, WE'RE BENEFITING FROM GREATER SPEED AND DETAIL IN OUR INTEGRATED REPORTING."

Zoltan Demeter, CIO of the RUD Group

their operating and maintenance costs. And one-third of respondents see the In-Memory-ERP-Suite as a platform for digital business models.

ROADMAP FOR SWITCHING TO SAP S/4HANA

Still, reservations remain. Migration costs are hard to estimate in advance, for one. To predict them better, Bingül recommends developing a roadmap with the customer, including a top-to-bottom analysis of current systems. Existing data stocks have to be assessed as well. In this case, the goal is to reduce their size and complexity by archiving unneeded data or taking other steps as needed.

That saves time – and money. In RUD's case, switching to a new IT environment and a new data center cut costs by around one million euros a year. IT operating costs have motivated other companies to migrate their current SAP installations to SAP HANA. Forrester, a US-based market research firm, concluded in its study, "Projected Cost Analysis of the SAP HANA Platform," that a sample organization could reduce IT costs by 37 percent in total: over 70 percent for software, 15 percent for hardware and 20 percent for administration and development. These findings draw on interviews with four companies that were long-time users of SAP HANA as well as a survey of 25 additional SAP users.

Forrester synthesized a composite organization from its findings: a manufacturing company with 40,000 employees that has a 40 terabyte SAP BW database, a ten terabyte SAP ERP database and a two terabyte database for custom applications. In the scenario, the organization is assumed to move its SAP BW to the SAP HANA platform in the first year, SAP ERP in the second and a custom application in the third.

One thing holds true for all the processes supported by SAP HANA: faster data flows will make organizations more agile with better customer service and higher service quality. Many companies have still not laid the groundwork needed to realize these benefits, though. They still have their processes and information trapped in silos, preventing end-to-end process continuity and 360 degree views of their business. But that will change. According to a PAC market analysis from October 2016, 41 percent of organizations have concrete plans to implement SAP S/4HANA in the next several years. They no longer regard the new SAP production generation as a mere release, but see it as a solid, strategically important foundation for their digital transformation.

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