

More agility for production

Electro Terminal is converting to S/4HANA® and opening up a whole host of future options

Reference project:

ELECTRO
TERMINAL



“With efficient communication and close coordination, we were able to quickly resolve the usual challenges in this kind of IT project, so that, all things considered, we can celebrate a smooth migration project.”

Leo Guggenberger, IT-Coordinator Electro Terminal

The market for connection technologies is competitive. Standard products are increasingly being produced very cheaply in the factory of the world – the Far East. Only a few European companies produce elements such as luminaire terminal strips, which enable electric and electronic devices to be connected to the power supply. Electro Terminal from Innsbruck in Tyrol, Austria, is one such company.

This medium-sized enterprise stands out through innovation. For its business customers in the lighting industry, domestic appliance industry, and in installation technology, Electro Terminal develops and produces customized connection solutions with superior functionality and profitability, generating revenues of over 30 million euros with 105 employees at present and a sales presence in more than 65 countries throughout the world. The SAP system plays a crucial role in the high-automated production.

At a Glance

Electro Terminal took the strategic decision to replace its ECC 6.0 SAP system and use S/4HANA® as the basis for an ERP platform of the future. After the successful Proof of Concept, it took just six months to implement the project from the time the decision was taken until go live. For the Tyrol-based company, the new SAP system in a T-Systems private cloud opens the door to a new world full of digital possibilities.

- SAP modernization
- Smooth migration of the company-critical systems, no production downtimes
- Increased agility and new options
- Improved collaboration with external auditors through SAP Fiori®

Reference in detail

The Challenge

“Our existing SAP system offered all the functionalities we currently need for our highly automated production,” explained Leo Guggenberger, IT Coordinator at Electro Terminal. But the anticipated end of R/3 support as well as the additional options prompted Electro Terminal to convert to S/4HANA® already, in order to keep the technological leap manageable. The decision to use a modern SAP product was therefore both strategic and an investment in the future. “We are planning to introduce additional new functions for our company in the coming months and years and see the HANA® platform as the right basis for this,” said the IT Coordinator, explaining the decision.

And the SAP strategy fits with the company’s strategy, because innovation is one of Electro Terminal’s core values. “In this active market, we set ourselves apart with specific solutions for our customers,” said Guggenberger. The company stands out thanks to its high share of new products. It wants to maintain this technological edge permanently, in order to continue setting the tone in its market. But new products also mean a continuous need to establish new production lines. And that’s why speed is a crucial factor, which also depends on the SAP systems. For these are closely linked to the Manufacturing Execution Systems (MES) in the highly automated, paperless production process. At the same time, Electro Terminal wants to use SAP to optimize collaboration with international partners.

The Solution

In spring 2019, after a successful Proof of Concept, Electro Terminal decided to convert to S/4HANA®. There were just six months between the decision and go live. The downtime phase of the live system in the T-Systems data center in Vienna lasted just a few hours. The dynamic platform played out its strengths here. “For rapid transfer of data and processes, we used additional capacities to reduce the downtime,” explained Martin Heinke-Sokol, who supported the project on T-Systems’ side. That’s because now, as before, IT is intensively vertically integrated in Operational Technology (OT).

The users of the SAP system didn’t notice anything to do with the migration on the following Monday. They started their work entirely as usual. With the introduction of S/4HANA®, Electro Terminal also introduced SAP Fiori®. SAP Fiori® provides even the first external partner with access to the processes without the need to maintain their own SAP system.

In particular, the IT Coordinator from Electro Terminal highlights the good collaboration: “With efficient communication and close coordination, we were able to quickly resolve the usual challenges in this kind of IT project, so that, all things considered, we can celebrate a smooth migration project.”

Customer Benefits

The switch means Electro Terminal gains additional agility and speed for production. The IT supports the establishment of new production lines, so that production can start promptly and, as a result, customers can be served more quickly. Production planning obtains a better user experience with more fluid workflows. At the same time, the production planners are able to compare the production capacities and order situation with each other in real time. The status and utilization situations of the machines are also available any time.

With the transition to S/4HANA®, Electro Terminal eliminates the need for separate SAP components for a Business Warehouse. This is now integrated in the existing HANA® installation instead. At present, the Tyrol-based company is also implementing SAP CRM® within the digital core of S/4HANA® – without having to introduce C/4HANA® to do so. This is a further synergy effect that the new platform provides.

SAP Fiori® too is already bearing fruit: Joint orders can be coordinated better with the external partner in Romania. Both sides can record the order status and production progress in real time. Accordingly, mutual planning and coordination of the workflows is possible. The Fiori functionality also scores points for the introduction of the CRM system, because sales partners and field service employees also gain access, which optimizes international collaboration.

Above all, the range of possibilities has not yet been exhausted. Guggenberger sums up: “We are excited to see what ideas we can use to further develop our business. In any case, we are well-positioned to do so in terms of IT, thanks to the new HANA® platform.”

Other benefits:

- Consolidated SAP landscape
- More agile production
- Faster time to market
- Improved collaboration with external partners through SAP Fiori®



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