

SUCCESS STORY



Machine and plant engineering | Rollout to China | Rittal GmbH & Co. KG



Launching a SAP system in China

Rolling out SAP internationally has now become a standard process for many companies. But launching a SAP system in China requires intensive preparation. As well as the technical implementation, special tax legislation and significant cultural differences in project work pose significant challenges for the respective project team.



Launching a SAP system in China

Rittal China is ready for the future

Rittal GmbH & Co. KG, a system provider for enclosure and control cabinet technology, already has extensive experience in launching the SAP system at its various global locations. The rollout to China was a logical step since the increasing size and complexity of its business processes brought about by major sales growth could no longer be sufficiently mapped with its existing software. Rittal, based in Herborn, is the largest company in the Friedhelm Loh Group and one of the world's leading solutions providers for enclosure and control cabinet technology, system cooling and IT solutions. With 11,100 employees worldwide, Rittal manufactures more than 10,000 standard products for all sectors of industry and machine and plant engineering, information technology

Rittal GmbH & Co. KG

Rittal is the top global supplier of innovative control cabinet and enclosure technology and IT solutions.

The Rittal service range:

- Control cabinet systems
- Electronics assembly systems
- System cooling
- Power distribution
- IT solutions
- Communication systems
- Global service power

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and telecommunications. In order to serve all global markets optimally, 19 production sites supply more than 60 subsidiaries, 150 distribution and logistics centers and more than 70 agencies around the globe. In Germany, Rittal runs 22 distribution and logistics centers nationwide. The product range extends from control cabinet systems, electronics assembly systems, system cooling, power distribution, IT solutions and communication systems right through to global service power. Under the tagline "Rittal – Complete IT Competence", Rittal offers a broad spectrum of solutions for efficient, secure, and ecological data centers via its subsidiaries Lampertz and Litco. Leading software provider EPLAN Software & Service GmbH & Co. KG and Mind8 GmbH – another Rittal subsidiary – add to the Rittal product range in the form of cross-disciplinary industrial engineering solutions. Rittal started to introduce SAP R/3 in all of its domestic and

foreign production sites, subsidiaries and distribution and logistics centers back in 1998, gradually standardizing its disparate hardware and software landscape.

The launch of SAP R/3 in China wasn't just about accelerating processes, Rittal also wanted to maintain a transparent overview of how its business was developing in China. Specific logistics modules implemented included sales and distribution (SD), warehouse management (WM), production planning (PP), material management (MM), quality management (QM) and finance and controlling (FI/CO). At the same time, Rittal switched to SAP version ERP 6.0 and set up the Unicode format required for Chinese characters. The SAP software supports order and production management, facilitating seamless planning and management processes across all departments. Rittal needed standardized processes – from order acceptance and purchasing, the linking of production planning and management for standard and special products right through to on-time delivery. To make use of all synergies, the manufacture of customer-specific individual items and series production was to be merged as far as possible.

A big bang – after meticulous preparation

Given Rittal's longstanding presence in China, it was well aware from experience that, not only would any rollout on-site require meticulous preparation but, given the significant cultural differences and the extensive master data on-site, it would involve significant work. Forms and masks as well as product descriptions had to be available in Chinese too – e.g. the delivery slips used primarily by warehouse workers and truck drivers on-site who didn't speak any English.

Rittal hired Saarbrücken-based consultancy firm ORBIS AG to guide the entire rollout project. The two companies have been running joint projects since as far back as 1997. The big thing that drew us to ORBIS was the diverse project experience on offer: the consultants were familiar with Rittal's business processes, had already run several international SAP rollout projects and knew the lay of the land in China. "The consultancy and support didn't end when we went live after the year-long project," explained Ruppik. "The ongoing support of Chinese employees and project management with Chinese native speakers was a factor that proved crucial to the success of the implementation on-site." ORBIS appointed consultants from Germany to pass on customer-specific process and SAP knowledge in relation to rollout projects, as well as consultants from its Chinese subsidiary, who contributed to the local process know-how. ORBIS AG also contributed in an advisory capacity to the resolution of intercultural challenges. The German employees from Rittal and ORBIS attended intercultural training seminars together in preparation.



“Contact between these colleagues in the run-up facilitated communications on the whole, given that the time difference between Germany and China and the long flight times made direct exchange more difficult after the project had started,” adds Ruppik.

SAP-Rollout in China

Rittal's rollout in China was a standard project from a technical point of view. The SAP system with variant configuration for custom products had already been tried and tested in Germany and other locations. The China project saw Rittal implement a sales pricing function for pricing custom products and variants in the quote stage overseas for the first time.

To ensure that Rittal China had the same integrated cross-departmental workflow as the German plants, tried and tested ORBIS solutions were launched with iControl, the planning tool and the ORBIS Engineering Cockpit (OEC). iControl automatically filters out the data required for sales-relevant decisions from the SAP system, like customer master data or product data as well as delivery data, invoices, or orders. The ORBIS planning tool supports the processes of planning and management for the multi-stage production and assembly of multi-variant products. The OEC makes it easier for employees to generate customer-specific master data and update order parts lists and order routing.

“The advantages of integrated order and production management for standard and custom production are obvious,” states Ruppik. “We have significantly reduced administrative processing and thereby accelerated all processes. All of our processes are now far more transparent too. We are also delighted to have finished the project successfully and on schedule.” This experience led to the same methodology being used in the follow-on project in India, which was successfully concluded in 2008.

“Despite the complex requirements, we decided to adopt a new approach of launching all modules in the production company at once,” says project manager Norbert Ruppik, Director of IT Applications at the Friedhelm Loh Group, explaining the initial situation. “Of course a big bang like this was risky, but given the existing SAP templates, the practiced team and the experienced consultants, we were well prepared from the start.”

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