

SUCCESS STORY



Machine / Plant Construction | ORBIS Product Cost Calculator | KTR Systems GmbH



KTR implements ORBIS PCC – preliminary costing directly in SAP and from one source

KTR Systems GmbH now performs its preliminary costings and offer calculations for products with the ORBIS Product Cost Calculator (ORBIS PCC). With the SAP-based add-on the company can now directly access data from SAP ERP and perform its calculations transparently, with high quality and uniformly across the company.

Made for Motion



KTR implements ORBIS Product Cost Calculator – preliminary costing directly in SAP and from one source

As the leading provider in drive and fluid technology for industrial applications, KTR supplies high-quality drive components, brake and cooling systems as well as hydraulic components to the industrial markets on all five continents. Since its founding in 1959, the KTR family has continuously grown in all sectors and continues to expand. The high innovation strength and distinctive pioneering spirit have always been the driving force of KTR. Today the long-standing company from Rheine does business worldwide, with over 850 employees, of which 380 are at situated at headquarters, and 23 subsidiaries and more than 90 sales partners.

KTR Systems GmbH

Head office: Rheine

Products: High-quality drive components, brake and cooling systems as well as hydraulic components

Sales partners worldwide: over 90 subsidiaries worldwide: 23

employees: 850 employees worldwide

www.ktr.com

SAP processes available around the clock

To ensure that the processes along the value chain run smoothly across all time zones around the clock, sophisticated logistics and powerful and highly available IT processes are required. Here, KTR relies on the integrated functions of the SAP ERP application in combination with a Dual-Data-Center concept, which guarantees fail-safe business processes.

“The SAP software as well as highly available business processes are important building blocks for our business and IT strategy”, explains Hermann Tebbe, IT and Organization as well as SAP application development at KTR Systems GmbH. The cross-company harmonization and standardization of the IT-supported processes are equally important. For this the individual KTR companies are consolidated in a central SAP client in Rheine on application level.

Calculations now in SAP instead of Excel

In addition to the SAP standard functions, the company also makes use of SAP-based additional solutions for the mapping of very specific process requirements. For preliminary and offer calculations, the ORBIS Product Cost Calculator was recently introduced, an ABAP-based add-on which is integrated seamlessly and with version com-

patibility in SAP ERP. *“This way we create a central and homogeneous database which allows us to perform and compare IT-supported, mostly automated and uniform preliminary calculations, which are transparent and of high quality”* explains Siegfried Schmidt, Head of Controlling at KTR Systems GmbH.

The ORBIS Product Cost Calculator replaces a Microsoft Excel solution with which calculations had to be performed manually and with great effort outside of the SAP system. In addition, the individual companies had adjusted the Excel programs to their individual calculations guidelines, which meant that calculations could only be compared in parts. That’s different now: As the add-on allows for online access to current data from the SAP ERP system, product and manufacturing costs as well as offers can be calculated exactly, in great details and uniform across the company.

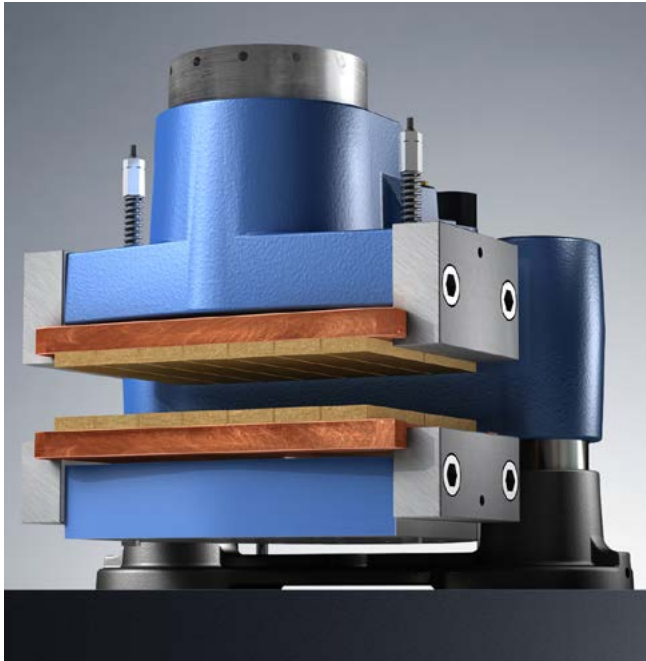
Currently, mainly the calculations for special products and product variants are performed with the new IT tool. Material prices, hourly and purchase information rates, BOMs, work plans, tariffs as well as sales terms automatically flow into these calculations. The calculation is also embedded in the SAP document flow. This means that every work step can be retraced and – if necessary – corrected immediately.



Better decisions with valid figures

Since a comparison of the preliminary and post calculation for each individual new article is possible at any time with the calculation tool, management is promptly provided with valid, meaningful data for the planned and actual costs and for the offer price. The responsible managers therefore receive a sound base for decisions and can plan and steer the development of the business even more targeted. Sales also benefits from the calculation integrated in SAP and is perfectly equipped to enter price negotiations: Based on the offer calculation it can

immediately be determined whether a product can be sold at a certain price and whether the target margin can be achieved.



Also for end users, who create the costing calculation, a lot has become much easier, as many manual work steps are no longer required. For example, if an employee enters the material prices for the components of a new ROTEX-GS miniature coupling into the ORBIS Product Cost Calculator, the data immediately flow into the SAP system, where they are processed. They are therefore immediately available for subsequent processes such as purchasing, material management or production planning and improve efficiency.

Direct access to 100,000 calculated items

For each item KTR sells, an offer calculation is created. Over the years, the number of these calculation stored in the SAP system has increased steadily – currently there are around 100,000. If the offer turned into an order and this was repeated at a later point in time by the customer, the offer had to be recalculated based on the current order data, exchange rates and material costs.

This proved to be a major feat of strength. *“With the add-on from ORBIS we can now quickly revise and confirm each calculation, as we have direct access to the original calculations and thus to the existing item and the material”,* Siegfried Schmidt explains. *“As the new, changed figures are automatically taken over in the SAP work plans and BOMs, – which was not possible previously – the production process can be promptly initiated.”*

Keeping to the budget thanks to the streamlined implementation

The responsible persons at KTR relied on the process and consultancy expertise of ORBIS for the implementation of the add-on. Thanks to a streamlined introduction plan, the solution could be implemented and put into operation within four months. The set budget was also adhered to.

“The excellent cooperation of all persons involved in the project as well as the high personal commitment of the ORBIS consultants contributed strongly to this,” says Hermann Tebbe. *“A key factor for this success was also the fact that the ORBIS solution could be adapted to our individual calculation processes flexibly and without great effort and expense.”*

The transfer of the complex logic for the process cost calculation from SAP ERP into the add-on only took twelve man days instead of 27, which KTR had initially estimated. Also in-house developed processes were integrated step-by-step into the add-on, for example a workflow which automatically notifies Sales by e-mail when the offer calculation for a customer has been completed.

Preparing offers in a few hours

Siegfried Schmidt draws an all-round positive conclusion: *“The ORBIS Product Cost Calculator creates the basis for a cross-company integrated, transparent and high quality offer calculation.”*

The next steps are already in the works. KTR wants to automatically create material numbers and master data as well as work plans and BOMs directly from the preliminary calculation with the help of the add-on. They expect this will result in a drastic reduction of lead times in the entire order processing from query, offer calculation to order creation. Thereafter the roll out in the subsidiaries is planned.



Hermann Tebbe, IT and Organization as well as SAP application development and Siegfried Schmidt, Head of Controlling at KTR Systems GmbH



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