

## WHY DETAILED PLANNING IS SO IMPORTANT

Implementation of SAP S/4HANA EWM



# FRÄNKISCHE

### Customer

- FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG
- Year of foundation: 1906
- 22 locations, headquartered in Königsberg/Bavaria
- Sales: approx. 575 million EURO (2019/20)
- 13,000 articles

### Industry

- Development and manufacturing of pipes, shafts and system components made of plastic and metal
- Solutions for building construction, civil engineering, automotive and industry

### Challenge

- Complexity: more than 100 storage types in 24 buildings at the Königsberg location, up to 160 truck deliveries per day
- Individual processes for differentiated business areas
- Necessary integration of all processes and systems

### Solution

- SAP S/4HANA EWM (Embedded) for warehouse management
- Individual in-house programming (e.g. radio dialog for mobile picking, high rack connection)
- Integration of logistics processes into SAP processes

### Benefits

- Optimally integrated and high-performance warehouse software
- Go-live without system breakdown or restrictions
- High user acceptance due to early training

When implementing SAP S/4HANA EWM in warehouse logistics, detailed planning is crucial for success according to the experience of a large medium-sized manufacturer with complex stockholding and three very different business areas. The effort involved must not be underestimated. The result, however, is convincing.

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Uwe Schäfer,  
SAP IT manager at FRÄNKISCHE



At the beginning of 2018, the family-owned company FRÄNKISCHE Rohrwerke Gebr. Kirchner GmbH & Co. KG was about to start a comprehensive IT project: the previous ERP system was no longer to be maintained and should instead be replaced by SAP S/4HANA in the BAU (CONSTRUCTION) division as well as in the central divisions of the company at the Königsberg headquarters at first. For the logistics area in particular, this meant the implementation of the high-performance SAP Extended Warehouse Management (EWM) Embedded system.

Besides the pure transition to the SAP EWM technology, the foundations for further process digitizations were also to be laid. The project team had brought on board an external partner for the planning and implementation according to the greenfield approach. “At that time, our company had no experience with SAP. Therefore, we were particularly dependent on a consulting partner,” explains Uwe Schäfer, SAP IT manager at FRÄNKISCHE, who joined the company in March 2018 and helped build up the internal SAP department.

A period of one year was planned for the implementation. The project was based on the classic SAP Activate implementation model: project plans and phases were fixed and the basic structure for the project flow created.

The first test was successful, but then things became more difficult. When less than 25 % out of almost 50 test cases worked during the last decisive test, it was decided to immediately look for additional support and staff reinforcement: "It was obvious that we were no longer able to manage this comprehensive project with our original implementation partner only," says Uwe Schäfer.

After a recommendation, FIS Informationssysteme und Consulting GmbH was chosen as additional partner. The expertise of the SAP partner with "Gold" status focusing on consulting and implementation of SAP and logistics projects was convincing. In February 2019, the EWM project management was assigned to FIS, the previous consulting company also remained involved in the project. The go-live date was revised and set for January 2020.

### **The challenge: complexity and detailed planning**

After the first warehouse inspection by FIS, baseline inventory and auditing were the next steps. What had happened that the project got into trouble?

In the course of the project, the main reason became more and more apparent: the complexity of the processes and the resulting efforts for detailed planning had been underestimated in the first implementation approach. The BAU division consists of three business areas: drainage systems, electronic systems and HVACR. These areas pursue different business models and

differ greatly in their product ranges, customer structures and distribution channels.

This complexity is also reflected to a large extent within logistics: "Here, we have different processes and procedures: small parts that are picked in the first place, products that have to be packed first as well as large-scale equipment that is loaded directly onto the truck," explains Uwe Schäfer. Every day, up to 160 trucks have to be loaded at the Königsberg location alone. The size of the warehouses must also be taken into account: 24 buildings and general storage areas with over 100 different storage types - the endurance test for every warehouse system.

All this needed to be mapped in detail in order to enable the direct implementation and, in particular, the integration into the SAP processes as well as to consider required adjustments and own individual programmings. However, the previous concept was still not able to meet these requirements. Therefore, the crucial task for FIS was to catch up on detailed planning. For this purpose, documentations were consulted and individual processes discussed in detail. Next, the process descriptions could be finished and all future target processes defined in a process design with a high level of detail.

Special developments for individual FRÄNKISCHE requirements, such as a separate radio dialog for the picking with mobile terminals or the integration of a high rack storage area via an individual SAP interface, were taken into account and FIS helped to develop them.

### **High workload and prioritization**

The "project planning" and "EWM consultation" functions were separated in order to work more efficiently. At the same



time, a prioritization was made. The concentration on the implementation of all essential processes and functionalities was indispensable in order to meet the desired deadline.

The kickoff took place in May 2019. Steffen Will, project manager at FIS, remembers this time: “At the beginning of May, the project was entering a critical phase. We all knew: during the next few weeks, it becomes apparent how well we proceed and whether the planned go-live deadline of January 2020 can be kept.”

The estimations concerning the high work volume were confirmed during the practical project parts. The project turned out to be very work and personnel-intensive. In subproject groups, such as goods receipt, goods issue or shipping, one FRÄNKISCHE employee worked together with one or two employees of the external consulting companies. A permanent exchange was guaranteed in this way.

During the project, seven (at peak times even up to ten) consultants were deployed at FIS and permanently on site in Königsberg in addition to the consultants of the other consulting company involved. There were intensive discussions and numerous adjustments. It was checked to what extent the process flows of different business areas were identical in order to ensure a process that is as homogeneous as possible along the entire system as well as process integration. “FIS supported us a great deal in every possible way,” says Uwe Schäfer.

### The container wall becomes a Kanban board

It was a challenge to keep track of the current project status. But the project partners found a solution that was equally pragmatic and efficient: a huge container wall was converted into a Kanban board. All subtasks and work packages were noted separately. Finally, the corresponding magnetic cards covered the wall over its complete width and height. Consequently, depending on the implementation status, all tasks could be assigned to the respective project phases, from detailed concept, development, test and further development to application tests and training.

For the first time, the first integration tests were executed in full in August and September with all adjacent modules, starting with the ordering transaction. The training of over 100 employees in the new system was an important task prior to the go-live. A multilevel model was used for the training. At first, lead key users participating in the project right from the beginning created the training material for the key



users, such as shift supervisors and warehouse managers, by means of SAP Enable Now. They, in turn, were responsible for the briefing in their departments. Here as well, FIS provided comprehensive support. In this way, several responsible employees from the Schwarzheide location were trained as well.

### Surprising finale: load volumes higher than expected before the go-live

The final phase became quite exciting: “For the go-live, we had planned a start-up phase of four weeks. We wanted to start with 30 % of the usual volume and then gradually increase the volume to 100 %,” explains Uwe Schäfer.

But everything turned out differently. Due to the strong start of the season, volumes much higher than ever planned had to be handled in the warehouse from the very first day - and it worked. The plan was even exceeded. “All trucks left the plant and we did not have a single day with system breakdown,” says Schäfer. “A go-live we would never have dreamt of after the difficult project start.” The management board and the expert colleagues were also very satisfied, in particular with the go-live in the logistics area.

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SAP IT manager at FRÄNKISCHE.

As a result, all SAP modules could be implemented at the Königsberg location. Moreover, the route plan, test and quality management and the high rack were integrated into the new S/4HANA system via a separate interface. This procedure is now used as a template for the implementation in other warehouses of the manufacturer.

“The FIS consultants impressed us with their high commitment and flexibility and their motivation to support us whe-

rever required,” concludes Uwe Schäfer. The family-owned company was so satisfied with the cooperation with FIS that further projects are planned and some have partially been implemented, such as continued support after the EWM go-live as well as the software licensing of the SAP-based master data maintenance tool.

## FRÄNKISCHE

FRÄNKISCHE is an innovative, growth-oriented and international family-owned company and a leading manufacturer of pipes, shafts and system components made of plastic and metal.

Be it cars, buildings, streets or domestic appliances - FRÄNKISCHE products can be found almost everywhere. For more than 110 years, the FRÄNKISCHE employees have been working together as one strong team. The corporate success is based on the experience and competence of its over 4,500 employees at 22 locations worldwide.

Through research and constant innovation, the family-owned company keeps setting new standards for building construction, civil engineering, automotive and industry. All this is based on the following key inventions: the flexible electrical installation pipe made of metal, its further plastic development and the yellow drainage pipe.



### FIS Informationssysteme und Consulting GmbH

FIS Informationssysteme und Consulting GmbH is an expanding, independent company and forms the umbrella of the FIS Group. Within this group, more than 800 employees work to make companies more modern, more economical and more competitive every day. The focus of FIS is on SAP projects and the development of efficient solutions that drive digitalization in companies. As one of the leading SAP system houses in the D-A-CH region, FIS is the market leader in technical wholesale with its complete solution FIS/wws. Together with its subsidiary Medienwerft, FIS covers the complete SAP range of topics for the Customer Experience (CX) area.

In the subsidiary FIS-ASP, more than 100 specialists operate and administer customers' SAP systems in their own data centers in southern Germany. The subsidiary FIS-SST is a competent partner for nearshoring projects. Collaborative solutions for the convenient and secure process handling of different companies on common platforms are developed at the subsidiary FIS-iLog.



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