

## SAP Customer Success Story High Tech – Manufacturing



**“mySAP Business Suite is the basic building block that’s needed to accommodate our global growth. Simply put, without SAP, we couldn’t grow as rapidly as we expect to.”**

Mark Fidler, Corporate Controller, Evergreen Solar Inc.

### AT A GLANCE

#### Summary

Evergreen Solar Inc. of Marlboro, Mass., a leading manufacturer of solar power products, implemented a solution to support global expansion and satisfy compliance requirements. The implementation, based on the mySAP® Business Suite family of business applications, was completed in 12 weeks with the help of Genesis Corporate Solutions.

#### Web Site

[www.evergreensolar.com](http://www.evergreensolar.com)

#### Key Challenges

- Replace homegrown and legacy accounting software with an integrated enterprise-wide solution
- Improve business processes by eliminating manual procedures
- Meet Sarbanes-Oxley Act requirements for reporting

#### Project Objectives

- Implement a world-class enterprise resource planning solution to support global operations
- Allow the company to rapidly expand worldwide
- Implement the solution in 12 weeks

#### Solutions and Services

- mySAP Business Suite
- SAP® Best Practices for High Tech offering

#### Why SAP Solutions

- Software tailored for the high tech industry
- Comprehensive suite of integrated applications
- Easy and fast implementation

#### Implementation Highlights

- Implementation completed in 12 weeks
- Manufacturing execution system (MES) integration finished ahead of schedule
- Users in both the United States and Germany supported

#### Key Benefits

- Eliminated time-consuming manual processes
- Cut month-end closing cycle in half
- Gained needed visibility into global financial, production, and inventory data
- Provided functionality to accurately track and maintain inventory
- Substantially reduced customer complaints
- Found efficient way to facilitate Sarbanes-Oxley compliance

#### Implementation Partner

Genesis Corporate Solutions

#### Existing Environment

- Homegrown software MES
- Legacy accounting software

#### Third-Party Integration

- Database: Microsoft SQL Server
- Hardware: HP
- Operating system: Microsoft Windows NT

## EVERGREEN SOLAR

### Rapid Implementation of mySAP® Business Suite Supports Global Expansion and Eases Regulatory Compliance

When it comes to successfully running world-class operations with global reach, managing core business processes effectively and efficiently is critical. Yet many small and midsize enterprises find their growth hindered by the very systems they relied on to establish their business. This is the problem Evergreen Solar Inc. of Marlboro, Mass., ran up against as it sought to expand its business. However, a rapid implementation of the mySAP™ Business Suite family of business applications built upon the SAP® Best Practices for High Tech offering enabled the company to overcome these barriers.

#### Planning for Rapid Growth

Established in 1994 as a research and development firm, Evergreen Solar has since evolved into a leading developer and manufacturer of photovoltaic modules – the engines of solar electric systems – used in remote power and emerging grid-connected markets.

Recognizing that the solar industry was expanding rapidly – especially in Europe – Evergreen Solar entered into a strategic partnership in 2005 in Germany to increase production capacity and be closer to a major marketplace. According to Richard Ghiz, IT manager at Evergreen Solar, “In the solar industry, demand currently exceeds supply. To capitalize on this opportunity, Evergreen is planning for rapid capacity expansion.”

## **Outgrowing Legacy Systems**

For years, Evergreen Solar had been running its business using a combination of homegrown systems and entry-level software for accounting. Evergreen Solar's employees found it difficult to efficiently gather, manage, and report on data in the existing environment. "Trying to manage and prioritize inventory using information captured in spreadsheets caused us a number of problems: we struggled to provide reliable delivery dates and we would sometimes run out of inventory. In response, we received numerous customer complaints," explains Mark Fidler, Evergreen Solar's corporate controller.

As Evergreen Solar prepared for its global expansion, it knew it would have a hard time finishing month-end closings in time. "We had a goal of moving to a five-day monthly closing cycle.

**“. . . SAP software allows us to focus on building better business practices.”**

Mark Fidler, Corporate Controller, Evergreen Solar Inc.

But we had a hard enough time gathering all required data in our Massachusetts headquarters. We knew there was no way we'd meet our objective once we integrated the German operations," continues Fidler.

The company knew it needed a world-class enterprise resource planning solution. "We wanted a solution that could scale with us as we grew, while providing the functionality needed to run a business as efficiently as possible," says Fidler. And Evergreen Solar needed the solution to be in place quickly to help the company meet its Sarbanes-Oxley Act compliance requirements.

## **Choosing a Robust Solution and Vendor**

As Evergreen Solar began evaluating solutions, it had specific criteria in mind. "We looked strictly at tier-one applications," explains Ghiz. The solution had to provide basic support for multiple languages, multiple plants, and multiple business areas including finance and sales. It was important that the vendor

have a global presence. "We discovered that a number of companies bolted on functionality through acquisitions, and that's not what we wanted. We wanted to work with a vendor that offered a proven solution, which it had continuously enhanced over the past several years," says Ghiz. Because Evergreen Solar's

**“mySAP Business Suite has helped us get the German factory up and running quickly and efficiently. It would have been incredibly painful without SAP and GCS.”**

Richard Ghiz, IT Manager, Evergreen Solar Inc.

manufacturing is a hybrid of discrete manufacturing and process manufacturing, it was also important that the vendor have experience in providing solutions for such an environment.

"mySAP Business Suite was clearly the superior solution. It was more intuitive to use and was a great fit for our needs. And our German partner was extremely receptive to a solution from SAP, for obvious reasons. In fact, I'm not sure they would have been open to any other solution," says Fidler.

## **Working Under a Tight Deadline**

Once Evergreen Solar decided on mySAP Business Suite, it needed to move quickly to implement the family of applications. In order to satisfy Sarbanes-Oxley requirements, mySAP Business Suite had to be in place at Evergreen Solar for a minimum of three months in 2005. With only 12 weeks to perform the implementation, Evergreen Solar needed a partner with extensive experience who could finish the implementation in that time. Fortunately, the company that had helped Evergreen Solar understand the value of mySAP Business Suite also played an invaluable role in implementing the solution. Genesis Corporate Solutions (GCS) is an SAP channel partner with advanced expertise in deploying SAP industry solutions built upon SAP Best Practices for High Tech. Furthermore, GCS tailors its business processes, documentation, and reports to meet its customers' needs.

“Getting the solution implemented on time was critical. GCS understood all this and created a project plan to ensure success. On top of that, because of Sarbanes-Oxley requirements, when you implement a system like this, the implementation process itself must include its own set of controls and testing. With GCS’s help every step of the way, we produced complete documentation and gathered all necessary approvals,” says Fidler.

GCS leveraged SAP Best Practices for High Tech when developing its qualified mySAP All-in-One partner solution to ensure Evergreen Solar met its tight deadline. Predefined business processes, industry best practices, and a tool to help configure the software enabled Evergreen Solar to streamline the implementation process.

“Our manufacturing execution system integration was a key aspect of the project. At first, the integration seemed daunting. But because we had help from an extremely accomplished in-house developer as well as from a talented GCS developer, we actually finished the integration ahead of schedule. And we finished the overall implementation to meet our twelve-week deadline,” explains Ghiz.

### **Improving Business Processes and Operations**

mySAP Business Suite has enabled Evergreen Solar to conduct its business processes more efficiently and its employees to focus on more strategic aspects of their jobs. According to Fidler, “Those employees who had to extract and fix data can spend more time interpreting data and making strategic decisions.”

Now that many of Evergreen Solar’s business areas use automated processes to manage activities, the company’s ability to report accurately in a timely manner has dramatically improved. “If we hadn’t implemented mySAP Business Suite and had instead used our legacy system in Germany, we wouldn’t have the needed visibility into financials, production, or inventory data globally. mySAP Business Suite has helped us get the German factory up and running quickly and efficiently. It would have been incredibly painful without SAP and GCS,” says Ghiz.

mySAP Business Suite has helped Evergreen Solar eliminate a tremendous amount of tedious manual data entry and reduce the cycle time across all aspects of its business, including inventory management, monthly financial closings, and order processing. The company has cut its monthly closing time in half and anticipates further improvements.

Integration with the company’s manufacturing execution system (MES) makes it possible for mySAP Business Suite to collect inventory data that it uses to update the inventory system at 15-minute intervals. With a single, integrated system, Evergreen Solar can now prioritize orders, ensure that inventory levels are accurate and maintained appropriately, and provide its suppliers and customers with accurate information.

“Now there is a much lower likelihood that we’ll run out of, or mismanage, our inventory. We’ve seen a substantial decrease in customer complaints,” says Fidler. “Perhaps most important, SAP software allows us to focus on building better business practices.”

### **Empowering Employees and Easing Regulatory Compliance**

Having mySAP Business Suite in place puts Evergreen Solar’s employees in control of their functional areas. The built-in security features and system process controls have reduced the

**“ . . . mySAP Business Suite provides the level of control required to ensure that we are in compliance [with Sarbanes-Oxley]”.**

Richard Ghiz, IT Manager, Evergreen Solar Inc.

number of manual controls in use. For instance, the company can now automatically match when it received goods, when it was invoiced for those goods, and when it paid for them. “This automation makes the IT group’s job easier, because we now only have to test once or twice per year for Sarbanes-Oxley compliance. Essentially mySAP Business Suite provides the level of control required to ensure that we are in compliance,” explains Ghiz.

### **Growing with SAP**

In the future, Evergreen Solar plans to expand significantly through its partnership in Germany. "mySAP Business Suite is the basic building block that's needed to accommodate our global growth. Simply put, without SAP, we couldn't grow as rapidly as we expect to," says Fidler.

As other factories are brought online, Evergreen Solar plans to plug them into its SAP software landscape by providing them with a template for configuring their business processes and SAP applications.

### **"SAP definitely functions as a strategic cog in the growth and support of a global company."**

Richard Ghiz, IT Manager, Evergreen Solar Inc.

Other mySAP Business Suite functionalities that are currently being considered by Evergreen Solar include plant maintenance, radio frequency identification (RFID) and bar-code scanning, as well as portals to support information flow to suppliers and customers. "We operate our factories 24x7, and we need to know when to maintain our equipment, what spare parts go on which equipment, and where our various parts are used. Having that insight will enable us to lower our overall maintenance costs while running efficiently," says Ghiz. "RFID and bar coding are

examples of functionality that would further enhance the efficiency of managing our warehouse operations." A self-service portal would allow its partners to view orders, order status, shipping and tracking information, and invoices.

"SAP definitely functions as a strategic cog in the growth and support of a global company. We believe that the SAP applications combined with the SAP support organization and consultants worldwide is a solution that will support us as we grow. Our company as a whole has benefited from the qualified mySAP All-in-One partner solution and will further benefit from working with SAP going forward," concludes Ghiz.