

## SAP Customer Success Story Industrial Machinery and Components – Electronic Components



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Jan Orsuliak, Managing Director, Avex Production

### AT A GLANCE

#### Summary

Slovakia-based Avex Production needed an integrated enterprise resource planning (ERP) solution installed quickly at a fixed cost. Using the SAP® Best Practices Baseline Package offering, SAP Consulting implemented the mySAP™ ERP solution in only 3 months, realizing a 60% savings in cost and time over typical projects.

#### Web Site

[www.avex.sk](http://www.avex.sk)

#### Key Challenges

- Improve visibility into costs and productivity in the production arena
- Enable faster access to key financial metrics to improve analysis and decision making

#### Project Objective

Install a fully integrated ERP solution quickly at a fixed cost

#### Solutions and Services

mySAP ERP (in conjunction with SAP Best Practices Baseline Package)

#### Why SAP Solution

- Best capability, competitive price, global credibility, and strong references
- Fully integrated solution, scalable to support enhancement and growth
- Embedded best practices for fast installation

#### Implementation Highlights

- Rapid installation of 3 months
- Knowledge transfer resulting in fully trained customer team

#### Key Benefits

- 60% savings in cost and time compared with typical implementations
- Minimized risk and disruption to business, thanks to fixed scope and rapid installation
- Elimination of losses from setting prices based on inaccurate cost calculations
- Real-time availability of key financial metrics
- Faster, more flexible response to changing business needs

#### Implementation Partner

SAP Consulting

#### Existing Environment

Non-SAP software

#### Database

SAP DB, now rebranded as MaxDB

#### Hardware

Dell

#### Operating System

Microsoft Windows NT

## AVEX PRODUCTION

### SAP® Consulting Implements mySAP™ ERP at 60% Savings Using SAP Best Practices Baseline Package Offering

Avex Production manufactures electronic components in Oravská Lesná, Slovakia, near the border with Poland. The company serves five major customers – and more than 3,000 in all – across Europe, Asia, and the Americas. Because these customers demand that suppliers like Avex demonstrate speed, flexibility, tight cost control, and quality management, the company turned to the mySAP™ ERP solution – as part of a packaged offering. SAP® Consulting came on board to ensure the solution met all its requirements.

In addition to the mySAP ERP software, the packaged offering included SAP best practices and an implementation methodology designed specifically for growing organizations. Using the SAP Best Practices Baseline Package offering, which is available in country-specific versions, SAP Consulting helped Avex realize a quicker return on investment and reduced implementation time and costs. Thanks to preconfigured business scenarios designed specifically for midsize organizations, SAP Consulting was able to install mySAP ERP in just three months, realizing a 60% savings in time and cost over typical implementations.

All around it was a good choice for Avex.

“SAP offered the best capability, a competitive price, global credibility, references, and an integrated solution with opportunity for enhancement and growth,” says Jan Orsuliak, managing director at Avex Production. “SAP Consulting implemented the solution with virtually no issues, allowing us to get up and running quickly with minimal disruption.”

### **End-to-End Functionality for the Enterprise**

Prior to its SAP installation, Avex had been using multiple solutions from different vendors. The systems were not linked, and it was difficult to access information in an accurate and

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timely manner. This made it hard to measure costs in the production environment, where each electronic component can consist of hundreds of parts. Avex management was also unable to get its hands on financial metrics for analysis and decision making.

The mySAP ERP solution, which provides end-to-end software functionality for enterprise resource management through modular building blocks, changed all that.

“We now have production costs under control and have eliminated losses from setting prices based on inaccurate cost calculations,” Orsuliak says. “We have also become much more flexible through the availability of timely, accurate information. Instead of a formal monthly closing that was difficult to manage, we have our numbers immediately, in real time.”

That’s had an effect on the bottom line.

“We expect to more than double profits from this year to next year,” Orsuliak says. “By enabling us to manage and control costs, mySAP ERP is helping us achieve these results.”

Avex was also particularly pleased with SAP’s incremental “deploy as you grow” approach and the availability of a fixed-scope, pre-configured solution that enables an accelerated implementation and reduced risk. Like many midsize organizations, Avex has few information technology resources of its own, preferring to concentrate its time, capital, and 350 employees on the business. “Our entire IT staff consists of two people,” Orsuliak says.

SAP Consulting worked with Avex team members from each business area to install, test, and validate the solution. The consultants used the SAP Tutor tool that comes with mySAP ERP to train Avex employees in the new business processes, thereby helping to increase user acceptance and productivity. SAP Tutor replaces generic documentation, providing electronic, self-learning tutorials that employees can use on their desktops or laptops. SAP Consulting also handled the migration of master data and open items to the new software, and tailored mySAP ERP to meet Avex and Slovakian requirements for banking interfaces, financial reporting, and value-added tax calculation.

“We were deeply satisfied with the performance of SAP Consulting on this implementation,” Orsuliak says.

### **Gaining a Competitive Edge**

The initial rollout addressed Avex’s most pressing needs in financial accounting, asset management, controlling, materials management, and sales and distribution – a scope of essential business processes that served as an ROI-focused entry point to a fuller mySAP ERP deployment. Phase two will focus on production planning and human resources. The company is also planning to install SAP software for quality management and warehouse management as well as business intelligence.

mySAP ERP lies at the heart of the company’s IT infrastructure and is powered by the SAP NetWeaver® platform. The foundation for all SAP solutions, SAP NetWeaver is an integration and application platform that facilitates the integration and alignment of people, information, and business processes across organizational and technological boundaries.

That’s just what Avex has in mind – taking advantage of the big-company capabilities provided by mySAP ERP to construct its own collaboration scenarios with customers and suppliers to gain an edge in the market.

“It is very difficult to manage logistics with more than 3,000 customers,” Orsuliak says. “mySAP ERP will help us establish a logistics center to better service these customers and procure supplies more effectively from our 280 vendors, giving us a competitive advantage in our marketplace.”

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