



Danfoss is heating up: e-business solutions with SAP and IBM.

The Danfoss international group of companies is one of the leading global suppliers in the design, development and manufacture of mechanical and electrical components for a number of different industries. These include industrial automation, electrical drives, long-distance energy equipment, measurement technology, hydraulics, heating equipment, burning devices and refrigeration. Danfoss Interservices GmbH (DESCI), the German subsidiary of Danfoss A/S, Denmark, is based in Offenbach, and specialises in retailing and data processing. In these business areas it is the exclusive IT service provider for the five German Danfoss locations. As a result of increasing internationalisation and the globalisation of corporate strategy, the European-wide transfer of data is also becoming a progressively more important issue for DESC. A team of 10 highly qualified staff manage the IT assistance and support for the around 430 SAP users of various mySAP.com solutions.

In July 1999 DESC was the first company worldwide to break new technological ground: they were the first to successfully install SAP R/3 on the logical partitioning of an IBM AS/400® server (today known as IBM @server iSeries). Today the iSeries servers continue to be at the very heart of the Danfoss infrastructure. Faithful to the Danfoss corporate motto of 'continual improvement', DESC have continued to develop and improve the IT environment. Today they use an IBM @server iSeries Model 840 with 12 processors and an IBM @server iSeries Model 830 with 4 processors in a 2-tier environment.

Gerhard Walter, DESC IT Manager, always endeavours to take advantage of the newest solutions. As far back as August 2000 Danfoss was one of the first customers for the SAP R/3 Release 4.6c and migration to it was implemented quickly. "We have discovered that moving to the newest releases as quickly as

Industry	Manufacturing
Application	mySAP.com
Software	OS/400® DB2®/400
Hardware	IBM @server® iSeries™



"The iSeries servers form a secure, cost-effective and easy-to-administrate platform for our SAP solutions. We have been working with them for over 10 years and have never regretted our decision."

Gerhard Walter,
DESC IT Manager



possible is worthwhile. Then you can take advantage of new functions immediately and fully exploit the hardware's potential. Our iSeries servers have always kept pace with Danfoss's additional IT demands, allowing us cost-effective operation and high security for the future. They have been operating smoothly and without breakdowns since 1999."

One special feature is the Logical Partitioning (LPAR), which allows the partitioning of a multi-processor iSeries server into up to 32 independent units. Each of these independent units has its own CPU, memory, and disc – an ideal solution for consolidating servers and business units, mixed production and test environments, as well as integrated clusters.

Danfoss has been working with an IBM System/38™ since 1986, adding an IBM AS/400 in June 1988. An application by the company Steeb – now an SAP subsidiary – has been used as software for a long time. Over time SAP R/3 replaced all the previous systems. At the start of 1998 the modules Finance, Controlling, Human Resources, Asset Management – and parts of Production Planning – were installed successfully. A year later Sales & Distribution and Materials Management were added.

Optimal integration of all processes with mySAP.com

Today all the mySAP.com solutions function to complete all business processes via the Internet. Work is currently underway on a Customer Relationship Management solution (mySAP CRM) at the German head office in Offenbach. The aim is to give each user the best possible access to the database at all times and from anywhere in the world. Fifty sales staff currently use the solution for classic customer care tasks (visit reports, opportunities, brochure distribution, mailings, history etc.). Data is entered and updated locally on laptops, and later synchronised with the central database at night.

In Denmark a SAP Business Information Warehouse (SAP BW) project is being designed, as is a Supply Chain Management solution (mySAP SCM) for the central warehouse. The European-wide supply chain management projects and product data management solutions are also entrusted to the Danish head office.

Close links with trade and suppliers

Today the basic requirement for efficient processes is linking trade and suppliers into the manufacturer's supply chain as closely as possible. DESCI use a solution that enables direct data exchange to link dealers into their own network as closely as possible. The dealers currently have access to the Danfoss SAP system via WebEDI. Partner companies are connected via XTML. The Danish parent company is currently planning the installation of a European-wide marketplace solution.

A SAP portal solution has already been installed at Danfoss Germany. The aim is to give users straightforward, direct access to all data without a SAP GUI, simply over the Internet, available everywhere all the time.

Of course this includes problem-free data exchange. Mr. Walter is excited about the DB2 database, because it makes the transfer of data from other systems very simple, while still maintaining data security. Gerhard Walter comments: "The DB2 database is easy to configure, wonderfully simple to administrate and everything still runs safely and smoothly."

Highest data security

Data back up is part of data security. Danfoss uses an IBM Tape Library controlled by Tivoli Storage Manager that also runs on the iSeries server. It secures all systems, NT and files servers with a total data volume of almost one Terabyte. A second server for disaster recovery is housed in a separate building.

All in all, the installation of the IBM and SAP IT solution has proved very satisfactory. Its reliability, data security, ease of administration and availability are convincingly persuasive.



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IBM Germany GmbH
70548 Stuttgart
ibm.com/de

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