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we know

they know

End to End

NIBCO speeds information flow and boosts customer service with SAP.

A constant and positive commitment to SAP and IBM is paying dividends for NIBCO, with faster customer order response times, improved information availability and lower costs. A single SAP instance provides centralised control and more customer-friendly access, too, keeping NIBCO ahead of the flow in a highly competitive industry.

Tapping into business benefits.

NIBCO INC., based in Elkhart, IN, USA, manufactures advanced flow control systems, including valves, fittings and pipe supports. The company has sales of more than \$400 million, and manufactures in twelve locations, in the US, Mexico and Poland.

Over time, each NIBCO business unit had acquired its own computing systems, creating islands of information that were difficult to integrate. Chief Information Officer, Gary Wilson, comments, "We had something of a patchwork quilt of systems, linked only loosely, and you could get different numbers out of each system. After an intensive business review, we concluded that we needed to start over and select an ERP system. We chose the SAP solutions on IBM infrastructure as the best way to meet our needs for reliable, integrated business processes."

Plumbing in the new solution.

The original SAP implementation was completed in December 1997. NIBCO is a mySAP Business Suite customer, running the solutions for Financials, Human Resources Management, Materials Management, Product Lifecycle Management, Logistics Execution System, Production Planning, Purchasing, Sales & Distribution, Supply Chain Management and Warehouse Management.

This centralised system represents a dramatic shift from the previous environment. The SAP applications run on IBM *@server* pSeries p610 servers, alongside IBM *@server* pSeries 660 database servers in a High Availability Cluster Multi Processing (HACMP) Environment. Within the NIBCO landscape there is also a separate pSeries server for the mySAP Business Intelligence solution. Storage is handled by an IBM TotalStorage Enterprise Storage Server, using Tivoli Storage Manager for backup control and Tivoli Content Manager for archiving essential data.

Soothing the information flow.

The impact of the SAP and IBM solution has been dramatic: inventory savings of better than \$50m, more efficient ways of working, and the

Overview

■ The Challenge

In a highly competitive global market, improve service to customers while reducing costs; becoming a demand-led business

■ The Solution

Industry: Manufacturing

Application: mySAP® Business Suite; mySAP Business Intelligence

Hardware: IBM *@server*® pSeries®; IBM TotalStorage® Enterprise Storage Server®

Software: IBM WebSphere® Application Server; Tivoli® Content Manager; Tivoli Storage Manager

Services: IBM Business Consulting Services (BCS)

■ The Benefits

Inventory savings of better than \$50 million; reduced order response from three days to ten hours; on-time deliveries now at 99%; reduced stock-outs from 11% to 2%; financial closing cycle reduced from ten days to two-and-a-half

ability to respond faster to customer orders – from a matter of three or so days to as low as ten hours.

“We have provided improved customer service by using better processes supported by better technology. Product inventory has reduced by around 40%, plant inventory has reduced, and order processing costs have tumbled. We are quicker to respond to customer orders, and our Perfect Order metric has soared from around 30% complete to near 90%,” says Wilson.

NIBCO’s business strategy is to be a demand-focused organisation, as far as possible only making products to meet customer orders. More than half of all NIBCO’s orders now arrive electronically, direct into the SAP systems through EDI or via the Web.

Customer orders in effect pull inventory through the NIBCO systems, triggering replenishment production automatically. This integrated system not only matches production more accurately to demand, but has also reduced the financial closing cycle from ten to just over two days.

Creating a new outlet on the Web.

NIBCO is also fully Web-enabled through IBM WebSphere, as a complement to and integrated with its SAP systems.

“WebSphere Application Server is superior and fits with our decision to use open systems such as J2EE wherever possible. Customers can do pretty much everything they need – enter orders, view status and check price purchases – through WebSphere direct to our systems. They have real-time access to information, giving them what they need, and it cuts costs and improves information visibility for NIBCO,” explains Wilson.

Boosting information throughput.

The mySAP Business Intelligence solution is the latest extension to the system utilising SAP Business Information Warehouse (SAP BW), designed to provide management with easy to use timely insight into trading performance and customer service.

“By moving our inventory planning metrics into the SAP BW, we can do a better job on profitability analysis,” says Wilson. “The SAP BW reduces the time taken to prepare and provide current information to management, and moves NIBCO closer to becoming a real-time enterprise.”

“One of the primary reasons for picking the SAP and IBM solution was that we are a mid-size company that needs world-class performance.”

High pressure, high power.

With the ongoing exploitation of SAP and IBM technologies, demands on data storage are growing dramatically. Product Data Management is now handled within the SAP applications, which includes storage of CAD engineering files, some of which can be very large. IBM TotalStorage Enterprise Storage Server 800, currently with 5.88TB of a possible 27.9TB installed. Tivoli Content Manager and Tivoli Storage Manager are fully integrated in the solution.

“We now have a very homogeneous technology platform based on leveraging the IBM and SAP skill sets. The IBM hardware offers high performance at low cost, and that runs well from a NIBCO point of view. These two primary solution providers contribute significantly to our business results. IBM has a strong SAP practice, and help us leverage the SAP application as much as they can, which is good for us and good for our customers,” concludes Wilson.

Further Information:

To learn more about how IBM and SAP alliance can help your business, please visit: **ibm-sap.com**



IBM Deutschland GmbH
D-70548 Stuttgart
ibm.com

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SAP AG
Neurottstraße 16
D-69190 Walldorf

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