



TOP TO BOTTOM

we know

they know

END TO END

Alpine Electronics goes global with SAP and IBM

Alpine Electronics of America, Inc., (Alpine, www.alpine-usa.com) is part of the global Alpine Electronics, Inc., group, based in Japan. Alpine is best known for in-car audio systems, and produces electronic components and finished goods, around 60% in the automotive industry and the remainder in the consumer goods market. The group operates in The Americas, China, Hungary and Japan, has sales of ¥213,019 million (\$1,947 million), and employs more than 6,000 people, with around 1,500 in North and South America.

In 2003, Alpine in the US consisted of a manufacturing company and a sales/distribution/administration company. While manufacturing had implemented System21 and i2 systems, sales had implemented Oracle Financials. Alpine also had a wide variety of vendor hardware, proving costly to maintain. Management then chose to reorganize Alpine as a single company with separate divisions, and asked Isao Nagasako, Vice President of Corporate Planning and Chief Information Officer, to consider ERP application options.

“With assistance from IBM Business Consulting Services (BCS), we looked at extending either System21 or Oracle as the company-wide ERP solution, or implementing SAP. We wanted a single system that reflected our new business structure, offering streamlined supply chain management right through to distribution, with visibility from production to customer.”

The best combination

Alpine chose to replace all its existing applications with SAP R/3, and standardized on IBM eServer pSeries Model 670 servers. After a fierce contest, the IBM pSeries servers and AIX replaced hardware from other UNIX® vendors, and the program took exactly one year, with a fixed go-live date to coincide with the formation of the new single Alpine company.

Dynamic logical partitioning features in pSeries allow resources to be allocated to SAP applications to match the workload, and the pSeries solution met Alpine’s longer-term strategy to manage growth, by including Capacity Upgrade on Demand – where processor power can be added incrementally to meet exact business requirements.

Overview

■ The Challenge

- Align systems with constantly changing business organization
- Manage the integration of separate companies
- Provide a global view of customer, manufacturing and sales data

■ The Solution

- Industry:* Electronics
- Application:* SAP® R/3® Enterprise. Solutions include FI, CO, SD, PP, MM, WM, HR, EDI and SAP Console
- Hardware:* IBM @server® pSeries™ Model 670 servers
- Software:* IBM AIX®
- Services:* IBM Business Consulting Services

■ The Benefits

- Integrated view of supply chain
- Tighter control of manufacturing process and schedules
- Global view of business performance
- Lower long-term costs



"We chose IBM technology to take advantage of its combination of reliability, flexibility and power. With many other vendors you have to keep buying new boxes to meet growth, whereas with pSeries you can expand to meet business needs on demand, which makes it very easy for us," says Nagasako. "The pSeries servers and AIX are especially good at handling complex SAP operations, allocating resources as required – making this the best solution in my view."

Nagasako's initial analysis rested on the business strategy to consolidate to a single company unit. IBM BCS reviewed both the implementation cost and the long-term total costs of ownership of the possible options.

"Extending either of the existing ERP solutions would have involved a tremendous amount of work, almost as much as a new implementation. Picking a single solution is usually more straightforward, and even though the peak investment is higher, the longer-term cost is much lower. IBM BCS demonstrated the strategic value of SAP solutions on IBM pSeries."

Fast benefits from the right partner

Alpine implemented SAP's core modules across North America: FI/CO, SD, MM/PP, WM and HR, as well as integrated EDI facilities. With such a large SAP project and a fixed timescale, selecting the right implementation partner was critical.

"There were two key decision points in IBM Business Consulting Service's favor: resources and project management."

Isao Nagasako, Vice President of Corporate Planning and Chief Information Officer, Alpine Electronics of America, Inc.

"There were two key decision points in IBM BCS favor: resources and project management. IBM has resources-in-depth and ways to find resources, and the project management is very disciplined. For example, if a schedule moves because of a change in scope or configuration, the IBM team would come to me and strongly insist on the original plan, and such strict project management is very beneficial to Alpine," says Nagasako.

"The IBM team members were all good guys, and we had a very tight goal: within one year we were running SAP for more than 200 users."

Sharing a global view

Alpine is now benefiting from integrated data across all its North and South American operations. Data formerly locked in separate systems is now available to senior management through SAP, including product delivery schedules, manufacturing costs, sales and administrative data.

"We get benefits in so many areas," says Nagasako. "Where before we had two companies and systems with three or four sets of customer data and product master items, now we have only one, supplying common information from the pSeries SAP system. This gives us better visibility across the business. For example, in Sales & Distribution you can see a delivery schedule which matches the shipping schedule. A large number of individually small improvements collectively add up to a great system."

"We picked IBM for its resources, technology and ability. Basically, IBM is helping Alpine on its first steps to globalization," concludes Nagasako.

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