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Chapter XI

Another Example of Use of ERP Systems in a Multinational Company

Learning Outcomes

- Discuss how an ERP system was implemented at Sidler GmbH
- Address the decision-making process in selecting SAP as a company's new ERP system, and managing continuing problems with its implementation
- List lessons in implementing ERP systems by studying this case study

Introduction

We have so far discussed the Robert Bosch case study and showed how the company's IT systems evolved so that it has standardized on use of SAP R/3. In this chapter, we provide another example of a company that has implemented SAP R/3 systems. The case study is about implementation of SAP R/3 at Sidler GmbH, a leading supplier of interior lighting and trim products for automobiles. The case addresses the decision-making process in selecting SAP as the company's ERP systems and the continuing problems with its implementation.

Sidler GmbH & Co. Case Study[i]

Light means orientation and safety. We give you the best possible lighting in today's most popular means of transportation: the automobile.

<div align="right">Sidler Brochure</div>

Sidler was a leading European supplier of interior lighting and trim products for automobiles. It was 1997 when Dr. Helmut Rapp, Sidler's managing director, decided to address the challenges of operating under Europe's new common currency, the Euro, addressing the millennium's Y2K problem, and upgrading its information systems to deal with the company's rapid global growth. Since joining Sidler in 1994, Rapp had successfully grown the company from 85 million deutschmarks (DM) to over 210 million DMs in 1998. Sidler's existing data processing system no longer provided management with the information needed to determine the profitability of its products, or timely data from its geographically disbursed operations. In his attempt to minimize disruption to his organization, Rapp had continued working with R&H (Rembold & Holzer, Breisach; now Brain AG, http://www.brain-ag.com), its existing software supplier. Unfortunately, R&H had been unable to provide assurances that its new software version would meet Sidler's needs.

Sidler had relied on R&H for its key EDP software needs. But R&H had not developed new software to address the needs of the Euro, or to address the growing complexity of global operations. They worked on a new release but exact details were not available. Since Sidler also had a limited EDP staff, they had relied on outside vendors for their software needs. Mr. Kaltenbach, the primary EDP professional at Sidler, was skilled at keeping the company's AS/400 computer running R&H's systems on a day-to-day basis, but to address Sidler's future needs, Dr. Rapp asked a team, headed by Kaltenbach, to find a solution to Sidler's needs in the new millennium. Sidler felt that its current AS/400 computer system could continue to provide the platform for the future operating system. Firms like PSI (PSI AG, Berlin, http://www.psi.de), a respected ERP supplier, SAP, and R&H, Sidler's current supplier, had software systems that would run on their existing platform.

A visit with IBM, a key SAP vendor, did not go well. In contrast, a visit with SLIGOS-Industries (now called Atos Engine, see http://www.atos-group.de) went quite well. In fact, the SLIGOS R/3 Automotive Supplier software (Appendix 1) had adapted SAP for the automotive supplier industry. In addition, SLIGOS was one of the major SAP consultants in Europe and promised to provide adequate support for the implementation of SAP.

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