

FRIEDHELM LOH GROUP

Overview

The need

In the manufacturing industry, speed and accuracy are of the essence. How could Friedhelm Loh Group optimize operations to get products out to customers faster – and at lower cost than the competition?

The solution

To increase efficiencies, Friedhelm Loh Group standardized on IBM® Power Systems™ servers running SAP applications on IBM i, using the integrated DB2® for i database and IBM FlashSystem™ storage.

The benefit

EUR 100,000 annual saving supports competitive pricing. Five times faster storage performance accelerates business insights. Up to 90 percent faster production planning helps to speed deliveries.

Friedhelm Loh Group

Seizing market share by responding faster and more cost-effectively to customer demands

Striving for closer collaboration

Electrical enclosures house expensive and sensitive equipment, which must be protected against threats such as vandalism, heat or accidental damage.

To help companies safeguard their valuable assets from increasingly intricate threats, leading enclosure manufacturer Friedhelm Loh Group aims to deliver all-encompassing solutions. To obtain the additional resources and know-how needed to manufacture these sophisticated offerings, Friedhelm Loh Group routinely acquires companies that specialize in the necessary components and related services.

To enable closer collaboration between its different business entities and to achieve greater economies of scale, the company migrates new acquisitions onto its central IT system. With its business growing steadily, Friedhelm Loh Group looked for a way to prevent rising IT complexity and costs, without sacrificing performance or flexibility.

The company also wanted to boost system availability, as even short periods of downtime would cause backlogs in its warehouses and delay manufacturing and customer deliveries, tarnishing the company's excellent reputation.

Deploying a future-proof solution

Friedhelm Loh Group turned to its trusted IBM Business Partner CANCOM to help it find a solution, as Friedhelm Rucker, CIO, explains: “We have worked in close partnership with CANCOM for many years. They provide us with an excellent service – and if any problems occur, they find solutions quickly and diligently.”

“IBM DB2 for i is truly sensational. Many processes that require manual intervention in other database systems are automated in DB2 for i. These features make the solution extremely easy to use and maintain – enabling us to avoid hefty training requirements and having to employ a dedicated administrator”, says Friedhelm Rucker, CIO at Friedhelm Loh Group.



Solution components

Hardware

- IBM® Power System E880
- IBM FlashSystem™ 820

Software

- IBM DB2® for i
- IBM i
- IBM PowerVM® for i
- IBM Spectrum Virtualize™, formerly known as IBM SAN Volume Controller

Applications

- SAP ERP
- SAP ERP Human Capital Management
- SAP E-Recruiting
- SAP Customer Relationship Management
- SAP CRM Sales
- SAP Supply Chain Management
- SAP Extended Warehouse Management
- SAP Advanced Planning and Optimization
- SAP Business Warehouse
- SAP BusinessObjects Business Intelligence
- SAP BusinessObjects Mobile
- SAP hybris Commerce
- SAP Fiori

IBM Business Partner

- CANCOM
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To allow its various divisions to work together in harmony, the company standardized on a comprehensive suite of SAP ERP applications, which support optimization and automation in everything from human resources to production planning.

With all areas of its business unified on a single SAP platform, Friedhelm Loh Group recognized that it was more important than ever to ensure top levels of performance and availability for its SAP applications. A lack of fast, consistent information access could hinder business agility, hold staff back from working effectively and delay critical manufacturing operations, negatively impacting service levels.

To provide a robust foundation for running SAP applications, Friedhelm Loh Group decided to upgrade the underlying IT infrastructure. It deployed two IBM Power System E880 servers, running the IBM i operating system, the integrated IBM DB2 for i database and IBM PowerVM® for i. To maximize uptime and performance for SAP applications and data, the company operates its SAP landscape in a highly efficient two-tier architecture.

To guarantee fail-safe data storage with minimal latency at maximum throughput, Friedhelm Loh Group implemented IBM Spectrum Virtualize™ (former known as IBM SAN Volume Controller) in combination with six super-fast IBM FlashSystem™ 820 storage devices.

Friedhelm Loh Group now operates a reliable, highly integrated and super-scalable IT landscape which can seamlessly scale to support growing operations, user numbers and product types.

Speedy throughput and fast delivery

With integrated SAP solutions running on high-performance IBM systems, Friedhelm Loh Group can deliver customer orders quickly – a key factor in fostering customer satisfaction.

Maximilian Dziadek, Head of the Data Center at Friedhelm Loh Group, explains: “If an order comes in today, we want to be able to deliver to the customer tomorrow. Because the SAP applications support closely integrated manufacturing and logistics, we are able to move materials through our production chain and dispatch cycle extremely quickly. Additionally, we can see where any item is at any given time.

“By upgrading the IBM infrastructure supporting our SAP systems, we have increased order throughput in our main warehouse by 10 percent, speeding up delivery times markedly.”

“Running SAP applications on IBM POWER8 gives us fast performance and round-the-clock reliability.”

— Friedhelm Rücker, CIO, Friedhelm Loh Group

Meeting customer demands promptly

What's more, optimized and automated production processes help the company to deliver even the most complex orders on time and cost-effectively.

Friedhelm Rücker says: “We need to manage an almost endless number of product customizations. Previously, it could take up to four hours to update production schedules. This made it challenging for us to accommodate short-notice changes to customer requirements, and put us at risk of missing tight delivery windows.

“With the IBM i with the integrated DB2 for i database running on IBM POWER8 servers and IBM FlashSystem storage, we reduced the runtime of certain, complex scheduling and planning tasks in SAP Advanced Planning and Optimization by up to 90 percent. This enables us, for example, to modify production schedules to accommodate incoming customer orders within just 20 minutes – dramatically improving business agility.

“Every step we take towards more automated and standardized processes helps us save time and avoid costly backlogs in production or bottlenecks in our warehouses and logistics chains. As a result, we can ensure that we get products out to customers on time, every time.”

Massive cost savings

To compete more effectively against rival firms, Friedhelm Loh Group wants to give its customers the best value for money. By taking advantage of highly efficient technology, the company slashed operating costs and energy consumption.

“The IBM solution is highly scalable and efficient,” comments Friedhelm Rücker. “Since we migrated to IBM POWER8 and Flash systems technology, we have cut our energy bill by EUR100,000 per year. Unlocking cost-efficiencies like these helps us pass savings on to customers with more competitive prices.”

In addition, Power Enterprise Pools gives Friedhelm Loh Group the flexibility to move processor and memory activations between the two POWER8 systems as and when needed – giving it additional flexibility in the event of unexpected spikes in resource demand or to accommodate for planned maintenance outages of one of the systems without the need to buy these resources for both.

Better-informed business decisions

Whether it is acquiring a new company or investing in new machinery, it is important for Friedhelm Loh Group to obtain accurate figures right away to be able to capitalize on new business opportunities faster than the competition.

“Moving to IBM FlashSystem 820 and taking advantage of IBM MicroLatency technology has accelerated access to business data by a factor of five,” explains Maximillian Dziadek. “As a result, we can perform calculations and carry out simulations faster than even before – this capability is crucial for time-critical management decisions.”

Mobile access anytime anywhere

SAP Fiori apps and SAP BusinessObjects Mobile help Friedhelm Loh Group’s employees to manage production processes, approve purchase or holiday requests via mobile devices, and tap into business figures anytime, anywhere.

“Mobile applications have become increasingly important in providing employees with flexible working options,” elaborates Friedhelm Rücker. “On average, they boost staff productivity by approximately five percent.”

Building a brighter future

Never resting on its laurels, the company is already planning to further enhance its IBM and SAP solutions to hone its competitive advantage. Friedhelm Rücker comments: “As a next step, we are looking to refine our business processes to boost efficiency. Beyond that, we are planning to launch a new Industry 4.0 manufacturing line in Germany to take advantage of the Internet of Things, which will enable us to produce goods at even more competitive prices.”

He concludes: “We are delighted with the IBM and SAP solution delivered by our competent partner CANCOM. Once again, IBM, SAP and CANCOM have delivered a powerful solution that supports our business strategy and helps us to strengthen our position as a leader in our industry.”

About Friedhelm Loh Group

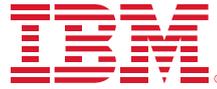
Headquartered in Haiger, Germany, Friedhelm Loh Group is a leading engineering company. The company operates 78 subsidiaries and employs 11,500 people worldwide, and generates annual revenues of approximately EUR 2.2 billion.

To learn more about Friedhelm Loh Group, visit:
www.friedhelm-loh-group.com

To learn more about products, services and solutions from CANCOM, visit: www.cancom.de

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