

Making 2 out of 1 – Company Split for Monofilaments

Ulrich Halfmann, Head of Competence Center Logistics and Supply Chain Management



Background

On 1 November 2000, in Osaka/ Japan, a letter of intent was signed, in which the Japanese company Teijin Ltd. and the American building materials corporation JohnsManville declared that Teijin's intention is to take over the Monofilament Division, with facilities in Bobingen/Germany and Spartanburg/USA, from JohnsManville. The takeover was scheduled for completion by 1 January 2001.

Against this background, the management consultants OSCo Olbricht, Seehaus & Co. Consulting GmbH from Mannheim, Germany, were commissioned to isolate the Monofilament Division in the productive SAP R/3 system, and to split it off from JohnsManville, migrating all relevant data and functions for its own separate client.

Job definition

The stipulations for the split project were:

- 1:1 implementation of the business processes without business re-engineering
- Modification of forms
- Setting up all the new client's sets of books for company currency €
- Selective inventory take-over excluding slow-sellers
- No takeover of original documents, takeover of historical data only in compressed form in the logistics information system
- Minimized production downtimes with punctual switchover of the decentralized production master computer to the new client.

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TEIJIN

The Japanese company Teijin Ltd, having its headquarter in Osaka/ Japan, ranks among the leading producers of technical fibers and fabrics, including polyester and nylon types.

Founded in 1918, and meanwhile employing 22,000 people worldwide for a turnover in excess of 7 billion USD, the company is one of the world's most important vendors of technical fibers.

With the takeover of JohnsManville's Monofilament Division, Teijin Ltd. now has a share of 50 % in the total world market for these products.

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Since both firms were to run on a shared server for a transitional period, care had to be taken to ensure that cross-client modifications (customizing and programs) were compatible for both companies.

As purchase agreement was tied to a functioning SAP R/3 system, the project had to be successfully implemented in the extremely tight timeframe of just eight weeks.

Procedure adopted

Also, since OSCo had already introduced SAP R/3 successfully at JohnsManville, the project team possessed detailed knowledge of the existing SAP R/3 system's features.

Against the background of certain product-related differences, care had already been taken during introduction of SAP R/3 to ensure only loose organizational ties between the JohnsManville Spunbond (Nonwovens) and Monofilament (polyester Wires) Divisions. For example, in the SAP R/3 system different divisions were formed, with options for handling production through unambiguously assigned resources, while managing inventories of materials and finished products in different plants and warehouse locations, so that the individual organizational units could be assigned to the product category involved.

There were definite benefits here from the meticulously thought-out concept created by the various OSCo teams during introduction of SAP R/3.

Moreover, in the Monofilament Division, now that individualized material master data records, parts lists and work schedules have been superseded by variant configuration with only one maximal parts list and one maximal work schedule, the multiplicity of master data has been reduced to a minimum.

On the basis of this knowledge, following the kick-off meeting on 6 November 2000, the team members clarified what data should be taken over for the new client, and what procedures were to be used for data takeover.

For this purpose, master data, open processes and orders were defined, identified and in line with the quantities involved were assigned to one of the following data takeover procedures:

- Standard tools for master data distribution per ALE/Idoc
- OSCo tools for master data distribution per ALE/Idoc and tRFC (in some cases with company currency translation DEM > €)
- Manual re-creation in the target client

To ensure integrative coordination of data takeover, the project team adopted a cross-application approach for formulating a binding sequence of activities, whose function could already be checked only four short weeks after the kick-off meeting in the integration test conducted from 4-7 December 2000.

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Before the key data were taken over, the team first had to clarify what processes were still to be handled in the “old” firm, and what transactions were to be newly created in the new client (purchase orders, process orders, customer orders). This approach meant, for example, that technically still-open purchase orders and customer orders could be completed, thus substantially reducing the volume of open documents.

All data takeover procedures followed the same basic pattern:

- Selection of the relevant data
- Data transfer to the new client with the above-mentioned procedures
- Checking the data quality, and correction as necessary
- Elimination of transferred data in the old system
- Technical completion of process orders
- Setting final processing identifiers (final delivery, final invoicing, reason for refusal, ...)
- Deleting material inventories

In the new client, new number sets were created for customer orders, deliveries, invoices and process orders, enabling transferred orders to be distinguished from newly created ones.

The decentralized production master computer was switched over to the new client right on schedule, and then immediately supplied again with “new” process orders, thus minimizing the requisite production downtime.

Likewise, as soon as the data had been transferred, dispatch and warehousing functions, based on the package solution developed by OSCo, were successfully restarted.

Meticulous planning and hard-working commitment from the OSCo consultants and the client’s key users combined to ensure that from 28 December 2000 to 1 January 2001 the go-live went smoothly, and the new firm Teijin Europe GmbH was able to start proper operations punctually on 2 January 2001.