

## Success Story



Struck-Leuchten reduces stock levels with SAP and itelligence:  
**SAP sheds light on the flow of goods!**

»With the SAP solution, we enter goods as soon as they arrive so we have a reliable information basis for our decisions. Ultimately, this means that – thanks to the improved transparency of the flow of goods – we’ve increased our delivery ability as well as optimised stock levels.«

Markus Struck, Managing Director of Struck-Leuchten GmbH & Co. KG

**itelligence**

More sales and lower stock levels – that makes sense!

## With our new IT solution we get better day by day!

Falling stock levels and a growing delivery ability – Struck-Leuchten GmbH & Co. KG has optimised its materials management and ordering with mySAP ERP. For the mid-market light advertising provider, there's no more blind determining of requirements.

When Struck-Leuchten needed to implement a new ERP system because Comet, its previous ERP product, had disappeared from the market along with its manufacturer, the illuminated advertising provider had one main request: The next solution should be more future-proof. But this was not the only deciding factor, as managing direc-

tor Markus Struck reports: "Many of our customers use SAP and kept asking us for a way to call up information directly in our system. So it made sense for us to implement SAP as well."

Another point in favour of the software was the sophisticated order proposal management, which can be used to coordinate demand with stock levels on a daily basis. The medium-sized company manufactures its advertising lines – comprising illuminated signs and advertisements, light boxes and light panels – mainly in mass production, and produces the individual components in fixed quantities. Specific components, such as ballasts and glass panels, are manufactured by suppliers. In the past, Struck-Leuchten used to order the entire quantity of third-party components required for a year in one batch, irrespective of how many components were still in stock. The prior software was not able to call up current stock levels and compare them to the actual requirement requests – so Struck-Leuchten always had high stock levels.

### **Struck-Leuchten GmbH & Co. KG**

Struck-Leuchten GmbH & Co. KG, headquartered in Steinheim, Germany, specialises in the mass production of articles in the illuminated advertising business. Founded by Heinz Struck in 1954, the company initially focussed on the business of "white goods", such as washing machines and refrigerators, and manufactured lamps for the furniture industry.

In the 1960s, the company began producing lamps for the advertising industry. These were designed specifically for the gastronomy sector in cooperation with breweries and advertising firms. Today, the product spectrum covers the full range of light advertising – from company signs and displays through to outdoor advertisements. In the fiscal year of 2005, Struck-Leuchten had 65 employees and generated sales of EUR 8 million.

### **Stock levels reduced by 30 percent**

Today, the situation is completely different: The current stocks are compared to the submitted orders once a month. The software automatically sends a message if stock levels fall below a minimum quantity or if the demand is greater than the stock. Subsequently, the SAP solution sends an order proposal list to the purchasing department, containing all of the necessary information. The order process itself also takes place in the SAP system. Although the purchasing department still prints orders and faxes them manually to suppliers at present, faxed orders will be triggered directly from the enterprise software in the future. "We don't order blindly anymore – we now order gradually on the basis of existing capacities," says managing director Markus Struck, summing up the benefits. As a result, the company has reduced its stock levels by 30 percent.





And there's another advantage: The solution stores a multi-level bill of material for each article, which is used as a basis to control requirement requests and production. Each department receives the relevant bill of material automatically, along with the steps that need to be processed. The bills of material are also linked to images and graphics in Windows so that staff in the purchasing and production departments can check whether the material number actually matches the component that is to be ordered or produced.

The bills of material also contain the average prices – a particularly useful feature for costing in the sales department. Previously, Struck-Leuchten used valuation prices for the existing stock that were generally determined during stocktaking and were always valid for a year. This inflexible model had the disadvantage that if prices changed during the validity period, they could not be taken into account. Now the SAP solution always uses the current purchasing price as a basis for the costing. The average prices can then be determined from this. The sales

department can access this information at any time using the material number and the stored bill of material.

#### **New users are quickly able to work with the software**

14 employees are working with the new enterprise software and, according to Struck, appreciate their intuitive and user-friendly interface. "Even colleagues with little or no computing experience got the hang of it quickly."

Users also benefit from greater transparency in the flow of goods. In the past, all incoming articles were generally only entered in the inventory two days later. Now they are entered upon goods receipt using the material number. Thus, the purchasing and production departments have a precise picture of current stock levels and can respond faster to suppliers. At the touch of a button, users understand which orders are still open and if any reminders are required.



**Name:**  
Struck-Leuchten  
GmbH & Co. KG

**Industry:**  
Electrical industry, metal  
and plastics processing

**Products:**  
Electric light  
advertising systems

**Company size:**  
65 employees,  
including 14 SAP users

**Sales:**  
EUR 8 million in 2005

**Head office:**  
Steinheim, Germany

Previously employees had to ask whether ordered goods had already been received or had simply not been entered upon receipt, this is now a thing of the past. Sometimes, delivery notes were even forgotten because the goods receiving department was not directly connected to the ERP software. Instead, all delivery notes were collected at the purchasing department and entered into the application there – with delay. When Markus Struck talks of improved transparency, he doesn't just mean entering goods in real time when they arrive. More light is shed on the flow of goods in general – from goods receipt and production through to goods issue. The status of each order can be determined easily at the click of a mouse using the order number.

#### SAP implemented in just 68 days

In the future, customers will also be able to call up information directly in Struck-Leuchten's SAP solution – for example they'll be able to see

whether articles have already been delivered. With this, the company meets the requests of many of its customers and goes back to the original reason behind the change of IT solutions.

As for the SAP implementation, the medium-sized company wants to use support of IT provider itelligence for this and another follow-on project: the development of a barcode system for all articles and materials. Managing director Struck was especially pleased with the professional and cooperative approach of itelligence. itelligence even mastered tough challenges, such as taking over the bills of material within a reasonable time frame. The result speaks for itself: The new SAP solution went live after just 68 consultant days.

#### Facts & Figures

**Solution:** it.hightronics as an SAP industry solution from itelligence AG in the standard system, based on mySAP ERP

**SAP modules implemented:** FI/CO (Financial Accounting & Controlling), SD (Sales & Distribution), MM (Warehouse & Materials Management), PP (Production Planning & Control)

**Project length:** 10 months/68 consultant days

#### Benefits:

- Stock levels reduced by 30 percent
- Stock quantities updated daily by entering received goods in real time
- Automatic comparison between requirement requests and stock levels
- Production control using multi-level parts lists (with images and graphics)
- More exact costing in the sales department using stored average prices
- Current order status at the touch of a button

