

Festool digitalises its supplier management and supply chain with SAP Ariba and apsolut

FESTOOL

Company:

Festool

Industry:

Tools

Products:

Tools and accessories for timber construction, carpentry, painting and renovation work as well as paint preparation and finishing

Number of employees:

3,300

Turnover:

Approx. 930 million euros

Headquarters:

Wendlingen am Neckar, Germany

Website:

www.festool.de

CHALLENGES

- Integration of complex consignment processes: mapping of demand splits, display formats and consignment logics in SAP SCC
- One-to-one training sessions, some of which were extremely in-depth, during supplier onboarding
- System harmonisation and data quality: transition from fragmented, manual solutions to a unified, integrated platform by means of technical migration, internal standardisation and accompanying change management

SOLUTIONS

- SAP Business Network Supply Chain Collaboration (SCC)
- SAP Ariba Supplier Lifecycle & Performance (SLP)

BENEFITS

- Improved transparency and data quality
- Stable, scalable processes thanks to integration into SAP S/4HANA and automation of qualification and ordering processes
- Reduced procurement risk as a result of structured qualifications and expansion of the supplier pool

WHY APSOLUT?

- In-depth expertise in implementing Ariba SLP and SCC
- Relevant expertise in an industrial setting
- Blend of technical excellence, solution-orientated project management and clear communication

150

suppliers were onboarded in SLP, and 40 in SCC.





Vendor-managed inventory (VMI) is a logistics model in which the supplier takes responsibility for monitoring and replenishing the customer's inventory.

EFFICIENCY, TRANSPARENCY AND PROCESS STABILITY THANKS TO SAP BUSINESS NETWORK SCC AND SAP ARIBA

Festool, a leading manufacturer of professional power tools, has systematically modernised its supplier and purchasing processes. In the course of its S/4HANA transformation, individual IT solutions developed over many years were replaced – with the aim of standardising processes, increasing transparency and optimising cooperation with suppliers.

Festool was in a complex situation at the beginning of the project: fragmented systems, manual qualification processes and numerous different communication channels with suppliers made it difficult for the company to maintain control. To change this, Festool decided to implement SAP Ariba Supplier Lifecycle & Performance (SLP) and SAP Business Network Supply Chain Collaboration (SCC). Key factors in the company's decision included the high level of integration with SAP S/4HANA and the scalability of the platforms. Festool selected apsolut as its partner for the implementation process on the basis of the consultancy's proven SAP Ariba expertise, its experience with complex projects in an industrial setting and its ability to combine technical excellence with pragmatic implementation expertise. When directly comparing apsolut with other service providers, Felix Leister of Festool felt that apsolut stood out: "I would give them nine out of ten points – apsolut is definitely among the top five per cent of all consulting services we've ever worked with."

The project initially focused on mapping the vendor-managed inventory processes (VMI) in the SCC module. The information that suppliers receive about demand and warehouse capacity is now updated daily, ensuring that the supply chain is much more stable and secure. At the same time, SAP Ariba SLP established a digital qualification process within the company, allowing for structured supplier data and automatic transfers to the ERP system. To date, around 150 suppliers have been successfully qualified via SLP, and about 40 of those have also been integrated into SCC for operational cooperation.

A key challenge was the integration of processes for handling consignment stock – cleanly mapping the individual demand logics and display formats was a particular focus here. The team successfully tackled these challenges by adopting a forward-thinking project planning approach and coordinating very closely with apsolut. Supplier onboarding was also organised systematically: individual training courses ensured that the users on the supplier side are now able to work with the system efficiently. At the same time, an accompanying internal change management process was also established in order to familiarise users in Purchasing with the new processes in a targeted way. Ongoing support currently requires less than one hour per week.

The effects are clearly measurable: cooperation with suppliers is more structured, up-to-date information is available on a daily basis and processes run without media disruptions. In addition, the closer ties with suppliers have helped improve the company's strategic risk management – thanks in particular to the expansion and targeted management of the supplier pool. Operational efficiency has increased, and the solution has also freed up more time for Purchasing to deal with strategic tasks.

Felix Leister, Global Process Owner in Purchasing, summarises: "In the past, information came by e-mail or telephone. Today, everything is in the system – reliable, structured and available at all times. And the cooperation with apsolut was a major factor in our success here: they have strong technical expertise, and our partnership was clearly structured and on an equal footing."

Festool plans to continue driving the digitalisation of its purchasing processes – with the aim of mapping both operational and strategic procurement processes in an integrated platform. The company is now evaluating modules such as SAP Ariba Sourcing. Its current solution creates a reliable, future-proof foundation on which Festool can build and develop.