



INDEPENDENT SAP TRENDS, ANALYSES, STRATEGIES AND IN-DEPTH REPORTS FROM BUSINESS AND IT



Supply Chain Excellence

Björn Dunkel is Managing Director at GIB, the inventor of the Dispo Cockpit (now: GIB Suite). He is leading the company into the Hana and S/4 era. Good and tried-and-tested solutions remain, and GIB will initiate a supply chain revolution in the SAP environment.

**SCM Optimization on S/4 and Hana
for Mid-Sized Companies**

Page 5

**What About
Cloud?**

Page 7

**Inventory Planning -
Efficient and Quick**

Page 10



Supply Chain Excellence

Besides CRM, the next big challenge for ERP users will be SCM, Supply chain management. Almost no other SAP partner has as much expertise and know-how in this area as GIB. Björn Dunkel is currently guiding the company towards S/4 Hana - without neglecting the successful roots of the GIB Dispo Cockpit.

Supply chain management is the order of the day as it is a key factor for business success in any end-to-end process. E2E business processes are crucial in the new global, 24/7 economy. Supply chains are also the core competence of mid-sized as well as large industry and trading companies. Research and advisory company Gartner identified the top 15 European supply chain companies in 2019. The top five are: Inditex, Nestlé, Schneider Electric, Diageo and L'Oréal.

Analysts announced the results at the Gartner Supply Chain Executive Conference 2019 in Barcelona. "Europe-based supply chain organizations continue to build on their strong performance in 2019, demonstrating exemplary demand-driven leadership and corporate social responsibility (CSR)," said Micheal Youssef, senior research director at Gartner. "Beyond profit, leading companies focused on people and protecting the planet, with nine out of the 15 companies achieving a perfect 10 in the CSR category." (Inditex, Nestlé, Schneider Electric, Diageo, H&M, Novo Nordisk, BMW, Nokia and Danone)

Heavyweight SCM

SCM is essential, not only in an organizational, technical and economic context, but also for corporate social responsibility. GIB therefore aims not only for supply chain management, but Supply Chain Excellence; hence the name of its new solution: SCX - Supply Chain Excellence. During SAP's Q2 and half-year 2019 financial results press conference, CEO Bill McDermott himself highlighted the importance of SAP's supply chain. "We are SAP partner through and through," says Björn Dunkel, Managing Director GIB.

"With our core product, the GIB suite, we have always been able to perfectly complement SAP's own logistics offering both organizationally and concerning our target group," explains Dunkel in conversations with E-3. "We first and foremost focus on mid-sized companies and offer additions to SAP systems that add financial and personnel value. With our new suite SCX (Supply Chain Excellence), we count on SAP S/4 Hana's digital core and provide a new, comprehensive operational planning approach for on-premises systems. Furthermore, we simplify archi-

itecture and application. We would even go as far as to say that we act as enabler for S/4 and Hana!"

Competitive Advantage

SAP has been reminding top management and executives with increasing urgency about finally focusing on supply chain optimization to ensure and strengthen long-term competitive advantages. Important challenges to tackle include cost leadership, world-class manufacturing and lean management. "Sad but true: many companies have long overlooked the potential of supply chain optimization and its role as key factor for business success," explains Björn Dunkel the current situation of many SAP user companies.

"However, there is reason to believe that this mentality is changing. We're seeing signs of increasing awareness especially in the mid-sized sector," adds Dunkel optimistically. "While this is a positive development, there is still prevailing confusion due to the complexity of the topic. Where should companies start? Which challenge should they tackle first? Our mission is to split up the massive, daunting task and simplify it. With our GIB SCX indicator, we can show customers the maturity of their supply chains thanks to a specifically developed KPI. Consequently, customers are able to pinpoint the exact process that should be optimized first."

Optimizing supply chains and production is even more important considering the new buzz around Industry 4.0. Is Industry 4.0 really the sustainable way forward and if so, why? "The term Industry 4.0 can mean anything nowadays," says Björn Dunkel. "In our line of business, the core of Industry 4.0 is the digitalization of the horizontal supply chain and the vertical connection of production."

Where is it that Supply Chain Excellence can truly shine: in adding value horizontally or vertically? "We focus on horizontal supply chain processes. Over 25 years, we have amassed so much expertise and gained so much practical experience in close collaboration with our customers in horizontal operations that it would be overconfident to claim that we have the same know-how in vertical business processes," says Managing Director

Dunkel. “However, with the help of our parent company ifm, we were able to create a unique connection between the two worlds, perfectly integrated in SAP. Connecting vertical and horizontal processes will therefore be a significant USP of GIB SCX in the future. We are currently intensively working towards that goal.”

In general, the digitalization and the connection of things, people and machines has great potential to increase effectiveness in industrial collaborations. At the same time, mid-sized companies are struggling to manage an explosive flood of data and information. “Our goal is to transform big data into smart data. We want to be able to provide the right person with the right information at the right time at the right location. Consequently, customers are not only able to react faster, but are also effectively working on optimizing their supply chain processes,” explains Dunkel.

“Real-Time” and Hana

SAP praises Hana for its real-time capabilities. Of course, this begs the question: Can real-time also add value to SCM? And thinking further, is GIB planning a real-time supply chain based on Hana? “If we are talking about a vertical connection of the supply chain, meaning the connection of production data, then we have to tread carefully when talking about real-time capabilities,” warns Björn Dunkel in conversations with E-3. “In the ERP world, the term real-time is used for a lot of things. As soon as data doesn’t have to be cached in RAM before they can be analyzed, meaning that the transaction accesses data directly in Hana and operates with recent data sets, the term real-time comes into play. However, in production, real-time means that information and sometimes reaction are available at the exact moment any given incident occurs.” Data volume and speed are often not compatible. Dunkel adds, “We aim to bridge the gap between necessary speed in production and required data volume in controlling to ensure that our customers can enjoy competitive advantages - the best of both worlds, so to speak.”

Björn Dunkel,
Managing Director GIB.





From R/3 to S/4

The market has been hesitant to switch from R/3 to S/4 and Hana. Wouldn't it therefore be better for GIB to focus its development and potential on the tried-and-tested technology instead of wasting scarce resources on a technology that only offers uncertainty regarding return on investment? According to a press release by German-speaking SAP user group DSAG, it will still take a while for the majority of SAP customers to switch to S/4 and Hana. "GIB has a long and successful history of software development regarding R/3. I would even venture to say that our tried-and-tested GIB suite has almost reached its peak. We have reached a level of maturity that we could have only dreamed of before," explains Björn Dunkel. "However, we are not lacking in ideas for how to support our customers even better still. As mentioned before, we added a new KPI for the maturity of supply chains, the SCX Indicator. Furthermore, we offer customers world-class innovations like the KPI Tower and a WCM tool." These new solutions are not very useful for R/3 systems, however. GIB knows that for customers to truly gain competitive advantages, they need SAP's new technology. "We are convinced that S/4 Hana is the future," affirms Dunkel. "From 2020 onward, we will only develop our solutions for this system. Downgrades will only be possible after extensive cost/benefit evaluations and, of course, feasibility considerations. For GIB, the S/4 core plays a significant role in our product portfolio."

How does Supply Chain Excellence incorporate Hana? Björn Dunkel says, "The digital core S/4 was created independently of database technologies which sanction and limit the existing R/3 system. Business requirements of a modern and powerful ERP system were the focus. Therefore, logic came before technology, meaning that software requirements came before database architecture. Regarding supply chains, the Hana technology grants us the possibility of analyzing and monitoring data and information in real time. This allows us to quickly and reliably simulate cause-and-effect interdependencies and make sustainable economic decisions."

GIB thinks that a new supply chain is especially necessary considering future requirements like agility, transparency and process maturity. Did we really make this many mistakes in the past that we have to start from scratch? Does SCM have to be completely renewed? "The supply chain is not new, but the possibility to connect the

individual parts of the supply chain with each other is," explains Björn Dunkel. This connection only becomes possible through digitalization, modern communication and new technology. Industry 4.0 is based on new data and communication channels which connect factory sensors with the corporate back office. "We want to leverage existing experiences and know-how in the new world, make them better and more sustainable," says Dunkel about the new SCM era. "At the same time, we have to react faster to external factors." People generally agree with Dunkel here - this is the new standard, molded and shaped by the new possibilities that digitalization and connectivity grant. Companies are only able to tackle these challenges head-on if their processes are transparent, and if agility is their guiding principle - in brief, if they are willing and ready to accept digital transformation.

From Dispo Cockpit to SCX

Like most SAP customers, GIB has a very successful past. The most successful product to date has been the GIB Dispo Cockpit with various features such as forecasting, controlling, operations, buying, planning and inventory management as well as replenishment planning. The current GIB roadmap shows that the company's focus hasn't shifted from these core topics, but the Dispo Cockpit as such is nowhere to be seen. Is this a result of GIB's own transformation process?

"The globalization of the GIB brand showed very clearly that the name of our product Dispo Cockpit no longer does the company's global approach justice," explains Björn Dunkel. "Our new colleagues working in our branches in the U.S., the Netherlands, France, Switzerland, Italy and Brazil also agreed with us. In German, the name sums the core functionalities up very well and indicates what our software solution is capable of: all important displays and controls are available at a glance and also tailored precisely to the needs of the respective user. In English, French or Portuguese, however, the name Dispo Cockpit was by no means self-explanatory, but rather a tongue twister and in some cases even a nuisance. That's why we decided to change the name of our product in favor of something that works on the international stage as well."

Digital transformation requires customers to change drastically. It also calls for a concept adaptation. "We are furthermore moving away from the modular structure of the GIB Dispo Cockpit which was somewhat organized like a silo, mea-

ning that hierarchies played an important if not indispensable role. With GIB suite and GIB SCX, we now offer a consistent and more natural, organic solution for the entire supply chain," says Dunkel, describing his goals. "With GIB SCX, we want to avoid isolated innovations in individual areas that are not connected to previous or subsequent processes and therefore often disappear as quickly as they came. By avoiding these so-called island innovations, customers achieve holistic optimization and consequently enjoy great economic success."

Hana, S/4 and SCX

Naturally, an ERP/ECC 6.0 system with Dispo Cockpit will be very different from an S/4 Hana system with Supply Chain Excellence. This of course begs the question: How long will this digital transformation take GIB customers? How many personnel and financial resources are required for this switch? "We know that for GIB customers it is important to keep tried-and-tested solutions and processes and transfer them to the new digital world through the brownfield approach," says Björn Dunkel.

"Consequently, our goal was always to develop a simple solution that customers can implement without any effort," adds Dunkel, explaining the digital transformation in customer companies. "Our solution makes it as easy to start the new S/4 Hana environment as just plugging in a new system and immediately being able to use it, without much training thanks to our commitment to user-friendliness. GIB likes to describe its product offering as a hybrid solution that supports the migration from R/3 to S/4."

Brownfield customers can therefore rest easy knowing that they can keep tried-and-tested processes. Good and proven solutions can and should be preserved that way. However, GIB also has a revolutionary approach for greenfield customers who dare to make the most of their digital transformation journey to S/4 Hana, as Managing Director Dunkel explains, "If customers are willing to consider greenfield and therefore completely rethink their processes in the new S/4 Hana world, then GIB SCX offers much more than just old wine in new bottles. GIB SCX was created from the experience and accumulated know-how of over 800 supply chain optimization projects. From these best-practice experiences, we have derived a perfect planning process. Our customers can leverage this expertise to optimize their end-to-end supply chain processes out of the box!" (pmf)

Horizontally and vertically connecting all digitalized business processes for mid-sized companies

SCM Optimization on S/4 and Hana for Mid-Sized Companies

The migration path to S/4 Hana is often obscured by uncertainty. One of the biggest questions: Which of the numerous customizations will customers still be able to leverage in the new world?

By Janine Wolski, GIB

Brownfield approaches can be successful, but might a greenfield approach not be more sensible, or perhaps even inevitable? How many resources (time, money, personnel) does a successful migration entail? These questions are bound to cause confusion and sometimes even concern, especially for mid-sized businesses. GIB, SAP partner and software developer for SCM optimization, is aware of these pain points, and its new suite is trying to put mid-sized companies at ease by promising them a sustainable solution that adds value to existing processes for S/4 migrations.

S/4 and Hana are the future. They are accelerating digitalization, promising competitive advantages - but right now, they still present a challenge to most SAP user companies. GIB has developed a new solution to enable customers and especially mid-sized companies to tap into the enormous potential of Hana. The new GIB suite "SCX - Supply Chain Excellence" leverages S/4 Hana's digital core and the powerful

Hana technology for a holistic view of the digital supply chain.

This new end-to-end solution is, among other things, the result of over 25 years of close collaboration with customers. "What do the people working daily with supply chain processes need? How can these processes be optimized, and how can we sustainably build on the SAP standard? Through countless customer projects, we experienced the pain points of users ourselves, and were consequently able to always provide necessary additions to the SAP standard. The sum total of all of our experiences has led to the development of GIB SCX, a suite for excellent supply chain processes on S/4 Hana," explains Björn Dunkel, Managing Director GIB.

Analysis, Planning, Execution

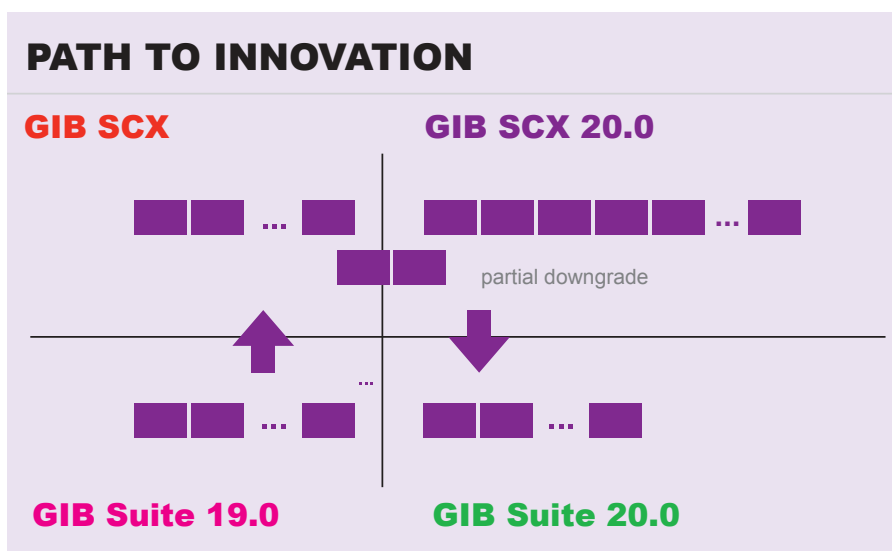
The most prominent advantage of using GIB SCX is having a holistic, process-based overview of the supply chain. Instead of falling back into antiquated silo structures,

the focus now continuously and transparently lies on the entire supply chain. "We are moving away from modular structures. GIB SCX is our more natural solution for all supply chain processes," says Dunkel. The goal is to avoid isolated innovation in individual areas which is neither connected to previous nor subsequent processes, often disappearing as quickly as it came. Only holistic innovation allows for optimization and grants the greatest competitive advantages. Adjustments, for example in sales planning, cause a ripple effect, the new processes and solutions that come with them also being beneficial for inventory planning, production planning and order processing. The core of GIB SCX is a control loop consisting of process step analysis, planning, execution, and optimization, which ensures continuous improvement.

GIB SCX starts with analyzing the current state of processes and supply chains. Strategic action planning for optimization follows, always based on the latest, most recent data and key figures thanks to the powerful technology of Hana. Then, after a successful simulation, operational implementation and comprehensive control measures take place.

The focus here is on performance, usability and the intelligence inherent in the system. Specific figures and systematic evaluations show success and potential for growth. The optimization is part of GIB SCX's continuous improvement. Customers benefit from significant cost reduction, increased supply capability, more transparency and quicker processes.

The new suite by software developer GIB is yet another solution mostly aimed at mid-sized companies. SCX also uses the enormous power of the Hana technology for new features which turn the migration to S/4 from a chore into a worthwhile investment. "Supply chain optimization is indispensable for economic business success of companies, but also seems like a



SCX takes center stage: From 2020 onward, GIB will only develop on S/4 and in the new suite SCX. Customers who are planning to migrate after 2020 will still be able to partially benefit from new innovations.



daunting, nearly unmanageable challenge at times, especially for mid-sized companies with more limited resources. GIB SCX aims to simplify the complex process," adds Dunkel.

Barometer for Supply Chain Optimization

A central component of this process is GIB SCX Indicator, kind of a barometer for the current maturity level of a customer's supply chain. At the push of a button, GIB SCX Indicator shows customers a single KPI to determine whether they need to act. Mistakes in the planning process, such as too few requirements in the system or planning against infinite capacities, decreases the indicator's value. A corresponding value scale gives customers a simple, comprehensive overview of how urgently their shortcomings call for action.

The introduction of further KPIs which the GIB SCX Indicator generates based on company-specific data from the SAP system, shows customers the supply chain processes that have to be optimized. The software furthermore provides detailed analysis, recommendations and control options so that optimization measures can be triggered right then and there.

The information resulting from analysis and in-depth evaluation can also be used in subsequent simulations and production planning. Consequently, the staff member responsible for planning is able to incorporate all available variables, e.g.

order status, forecasts as well as machine capacities and inventory stats in their production plan.

By changing individual variables, said staff member can determine how the production plan can be optimized. GIB SCX Indicator therefore grants customers a new simulation possibility, improving the production plan's results significantly. The production relies on foresight instead of past data, which has a positive impact on material availability, stock and setup times, and sustainably influences costs, delivery reliability and capital commitment.

Furthermore, SCX offers clear indicators for the urgency to optimize the process itself and gives recommendations on how to proceed. Traditionally, the impact of changing supply chain processes often takes several months to become visible. This is an ineffective trial-and-error process if companies do not know in advance if adapting the process will have positive or negative consequences, impacting business success. SCX aims to change that. In the analysis and optimization process, SCX clearly shows which adjustments can be made and how much can be changed without risking negative effects. This gives the supply chain manager and their team the necessary room to experiment while still enjoying high levels of security and usually only positive effects, without compromising business success and the competitiveness of the company.

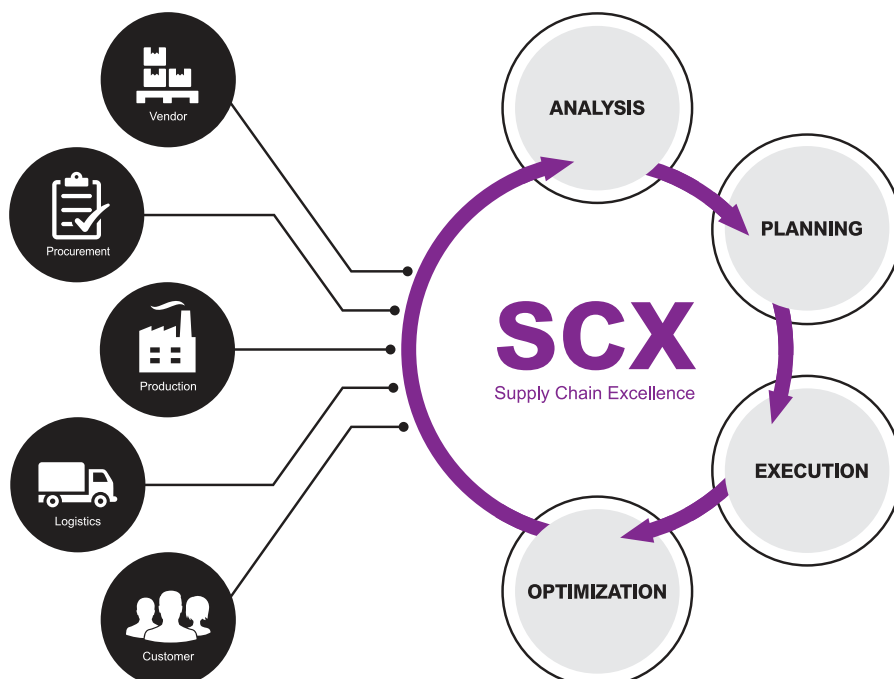
Horizontal and Vertical Supply Chain with S/4

S/4 Hana opens up a new world of possibilities for GIB; a new world that the majority of customers do not yet dare to enter. "One thing is clear: we have a large customer base that relies on our software solutions on a daily basis, and we aim to support them in the process of switching to S/4. We put a lot of resources and programming effort into ensuring that the tried-and-tested functionalities of the GIB suite also run smoothly in the S/4 Hana environment. Our customers can therefore implement the GIB suite with the brownfield approach without any additional effort," says Björn Dunkel, explaining GIB's hybrid approach to migrating from R/3 to S/4. "Our proven GIB suite has realized most of its potential in R/3 - there is not much room to grow left here for us. As far as we and our customers are concerned, GIB suite in R/3 is



GIB SCX delivers a new, holistic and operational planning approach based on S/4 Hana's digital core which simplifies architecture and application alike. The migration to S/4 therefore becomes a more desirable goal.

Björn Dunkel,
Managing Director GIB.



GIB SCX's control loop ensures continuous improvement of all supply chain processes. Customers benefit from significant cost reduction, increased supply capability, more transparency and quicker processes.

already the ideal addition to the SAP standard. S/4, however, offers us and GIB SCX new room to grow, develop and improve,” adds Dunkel. “If customers are therefore prepared to completely rethink their supply chain processes using a greenfield approach, GIB SCX is the only solution that offers plenty of room for further innovations that significantly optimize daily operation.”

Some of these innovations are already available today, such as the KPI Tower for clear presentation and tracking of key performance indicators as well as a WCM tool that enables holistic business optimization according to the World Class Manufacturing principle. These new functionalities would be impossible without S/4 Hana, as the traditional R/3 basis does not offer the required performance. Switching to S/4 is therefore more than just a necessary chore for GIB customers. It can be the basis for a sustainable digital transformation strategy in S/4. “Our strategy is clearly based on S/4. From 2020 onward, we will only develop in this new software world. Of course, some functionalities that can realistically be downgraded will be offered to R/3 customers who have not yet dared to make the move as well, as it is very important to us to accommodate all our customers’ needs. However, every downgrade should stay within sensible limits - we will carefully examine which functionalities can and should be offered to individual R/3 customers on a case-by-case basis.”

The future of supply chain management is therefore the new suite GIB SCX, as it offers horizontal connection as well as the potential for vertical value generation. In cooperation with parent company ifm, a global and leading manufacturer of sensor technology, GIB has succeeded in developing, building and maintaining a unique bridge between the horizontal and vertical worlds that is perfectly integrated in SAP systems: the GIB solution “Shopfloor Integration - SFI” which connects sensor data with ERP systems. For Björn Dunkel, this will continue to be an important topic, as he explains, “In the future, the connection of vertical and horizontal processes will certainly be an essential USP of GIB SCX. Consequently, we are focusing most of our efforts on it and working intensively on new functionalities.”

Also have a look at the community info on page 136

GIB
an ifm company



Paving the way for new technologies sooner rather than later

What About Cloud?

Not everything has to be difficult: just go to the app store and use new applications quickly and easily, without cumbersome implementation.

By Janine Wolski, GIB

In supply chain software, which usually has to be implemented, individualized and optimized in long, laborious projects together with customers, the app store approach is still new. However, it is SAP’s desired goal - and therefore also GIB’s. As an expert for supply chain optimization in the SAP environment, GIB is currently taking its first steps into the cloud, exploring unknown terrain as it is guided by a new vision of the future.

GIB’s new technologies, which are primarily focused on SAP, are united by a core concept. Customers should also be able to enhance applications that have already been installed with additional functionalities - without the need for time-consuming, cumbersome and costly implementation.

“SAP is our most important partner. As one of its development and service partners, we are always observing closely in which direction SAP is going. We always try to incorporate new technologies and roadmaps in our GIB products as soon as possible to be able to support SAP’s strategy in the long term,” says Nikolaj Schmitz, responsible for SAP technologies and partnership at GIB.



SAP is our most important partner. As one of its development and service partners, we are always observing closely in which direction SAP is going.

Nikolaj Schmitz,
Advisor Strategic Innovations, GIB.



Mobile access to KPIs from the ERP system, organized neatly and clearly: the Mobile Maintenance Guide app provides the most recent machine data and therefore supports condition-based and predictive maintenance.

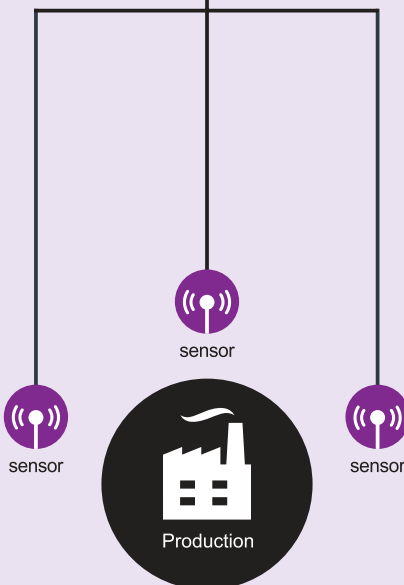


TOP FLOOR

S/4HANA
GIB SCX

SFI

Middleware & Edge Gateway



SHOP FLOOR

Data integration from sensor to ERP. Software component SFI Shop Floor Integration ensure data transfer between SAP systems and the heterogeneous world of sensors, controls and machines. With SFI, incidents and process-relevant information from connected sources can be analyzed and processed before they are transferred to the connected SAP system. There, SFI allows customers to trigger and control reactions and subsequent processes.

However, implementing this strategy has to take center stage in order to be successful. “To bring our solutions into the cloud, we need to put everything to the test. Which functions can we transfer? Which functions are even suitable for cloud deployments? Furthermore, there are also many unanswered questions concerning fundamental technological basics. For example, which programming language should we work with? The Abap cloud version or Java? Which advantages or challenges will either of them bring? We are currently taking a closer look at all of these topics,” adds Schmitz.

At the same time, GIB is already working on its pilot project for the cloud: the Mobile Maintenance Guide app. It will be the first GIB application available in the cloud through a hybrid approach - the best of both worlds. The Mobile Maintenance Guide App is part of the GIB Shopfloor Integration environment, an IoT solution for connecting machine sensors and ERP systems. The mobile application, which is already available as on-prem version, displays important data and key figures that are necessary and helpful for maintenance tasks, such as the history of machines including past downtimes and repair times as well as forecasts and predictions. It furthermore provides an overview of important contacts as well as the current stock of spare parts including order deadlines.

The mobile app can also help maintenance technicians navigate large machinery plants by connecting to a navigation application. “Customers using our Mobile Maintenance Guide often have to navigate large workshops. Rather than using it on a stationary computer, then, most people use it on their mobile phone or tablet. Therefore, the application is particularly well-suited as a hybrid solution with connection to the cloud. The app is anchored in the cloud, but also allows access to required ERP data - following strict security guidelines, of course,” explains Schmitz.

Of course, GIB’s cloud story doesn’t end with just one single application. Besides the Mobile Maintenance Guide app, GIB is also working on other cloud applications. One of them is the KPI Tower, a program for clearly displaying key performance indicators (KPIs) in the modern Fiori design. In the future, it will ensure staff and especially management always have a quick overview of the most important KPIs at any given place and time. It will also allow them to take the necessary steps to avoid imminent shortcomings, should the situation in question require it.

However, this is not yet where GIB draws the line. In the future, the new suite GIB SCX - Supply Chain Excellence will be available as cloud version on S/4 Hana. Customers will then be able to choose exactly which functionalities they actually need, and use them immediately in the cloud. This will eliminate necessary implementation efforts, which is especially useful for small and mid-sized businesses because they only have to spare a small amount of resources while costs are significantly reduced.

Release changes will be carried out just as quickly and without problems or additional effort. GIB’s vision therefore describes nothing less than an SAP ERP system that offers exactly the functionality that users need, is up to date at all times thanks to cloud connections and can be quickly and easily adapted to new requirements if necessary. It’s a distant dream, but GIB already has the right tools. “There’s still a lot to do before we make that vision a reality, but we are working on it,” says Nikolaj Schmitz.



The supply chain is not new, but the possibility to connect the individual parts of it with each other is.

Björn Dunkel,
Managing Director, GIB.

Case study: order processes with SAP-certified software solution in retail

Increased Efficiency in Demand Assessment

Process optimization is indispensable for the competitive success of retail companies. To make its order processes more efficient, Swiss company Migros is leveraging an SAP-certified software solution for the optimization of its logistics processes.

By Janine Wolski, GIB

For example, an application of said software for purchasing creates advantages by bundling orders, monitoring restrictions for optimization on load carriers, and suggesting order quantities based on range. This supports sustainable media continuity and increases process optimization as well as reliability in demand planning. Combining these advantages with modules for daily operations and controlling, retailer Migros thus leverages a high-performance software tool for an efficient supply chain.

Migros is a conglomerate of various cooperatives, incorporated companies and foundations, often collectively called the Migros Community. The Migros-Genossenschafts-Bund (MGB; Migros Cooperative Alliance) represents the group. Migros is the largest retail company in Switzerland.

The centrally organized merchandise management system, including a fulfillment center and several distribution centers, enables Migros to quickly deliver goods to more than 1,000 sales outlets. To achieve this, ordering processes must be as efficient as possible in order to stay competitive as a stationary retailer, especially in view of the growing e-commerce sector.

Swiss retailer Migros has managed to stay competitive as stationary retail chain, also in part thanks to the GIB suite. The suite is certified by SAP and supports all supply chain processes in SAP without additional interfaces, ensuring greater transparency and efficiency. “The GIB suite has allowed us to create a level of transparency that has received extremely positive feedback from demand planners, administrators and managers alike,” says Urs Schwarzenbach, Head of Near/Non Food Management Support at Migros.

Integrated in the SAP Standard

Schwarzenbach supported the GIB suite implementation in fall 2014. The first ap-



The GIB suite’s numerous benefits in R/3 have convinced us to also use GIB for our supply chain processes in S/4.

Urs Schwarzenbach,
Head of Near/Non Food
Management Support, Migros.

plications to be implemented at Migros were “Operations” for, as the name suggests, daily operations; as well as “Buying” for order processes. “Over the last few years, this has enabled us to

massively increase efficiency when it comes to demand assessment,” explains Schwarzenbach. “Furthermore, we were able to increase the availability in our distribution centers by reducing storage volumes.” Migros is therefore extremely satisfied with the solution as well as the provider. “We first came in contact with GIB during a seminar,” recalls Wieland Caviezel, SAP consultant at Migros. “Because of performance reasons, we needed a new supply chain solution. Our legacy software was just not up to par; individualizations were laborious, and it could not process enough data. After we consulted the German-speaking user group DSAG on the matter, it became clear that the GIB suite was the only viable SAP-based solution concerning supply chain processes.” Migros’ requirements called for a solution integrated in the SAP standard to guarantee media continuity, and a tool to increase the performance of the merchandise management disposition which offers the possibility of using already existing SAP master data and parameters.

Measurable Success

“We have achieved all the main goals we set in project planning, especially regarding increasing efficiency in merchandise planning (procurement, demand planning) and reducing storage costs,” says Schwarzenbach. “The effects of increased availability in our distribution centers due to reduced storage volumes can be felt throughout the organization.” Migros was also able to optimize inventory and order quantities. It is now able to load trucks and containers more efficiently by filling in the correct quantities (according to range or space). Furthermore, the problem of slow-moving goods in warehouses can often be prevented, which was most evident in clothing and



household goods, categories almost notorious for slow-moving items. However, one of the biggest advantages of the tool is the increase in transparency. While demand planners might have previously maintained master data in their own Excel lists, the administration of master data in the SAP system now ensures high levels of transparency. This makes e.g. stand-ins significantly easier. Furthermore, disposition decisions are easier to make and better to track thanks to the tool guaranteeing most recent master data and key performance indicators.

User-Friendliness Shortens Training Time

A project team consisting of ten GIB and Migros employees implemented the GIB suite with various Migros-specific customizations, such as new tabs, ad hoc formulas, and extensions. The implementation went smoothly and was accompanied by two two-hour training sessions with key users. "The project members created the training documents themselves. The introduction therefore went very well, and the suite could be used after just a few hours of training," says Schwarzenbach. Migros can't imagine a future without GIB's software solutions. According to Migros, GIB suite's biggest advantages are effectiveness - in the sense that it is doing its job very successfully - and optimization through comprehensive information, range and supply chain optimization, and displaying key figures from different perspectives (e.g. sales/forecasts). "Especially the operations application for daily processes, such as the detection of missing parts, complaints about deliveries, master data management and more, as well as the buying application for demand assessment and order processing offer us the greatest advantages in our day-to-day business," adds Schwarzenbach.

Increased efficiency and transparency mean GIB saves Migros time; time that the company can invest in other important tasks and projects. Migros is already planning further projects together with GIB, as it has already implemented a number of change requests with the IT service provider and therefore feels confident for the future. "We are certain that S/4 Hana will offer us a great deal of potential for future cooperation with GIB," says Caviezel. "The operational benefits of the GIB suite are so great in the R/3 world that working in the new S/4 environment without the GIB solution would be unthinkable."

Intelligent software solution supports users with intelligent forecasts

Inventory Planning - Efficient and Quick

Reducing inventory by 20 percent in six months: Lamp manufacturer Trilux shows how it's done. More and more companies recognize the potential to reduce costs in inventory management.

By Jana Hasse, GIB

Planning skillfully can bring fast and long-term success - company Trilux serves as an example. However, it's often easier said than done. Challenges and obstacles abound; volatile markets, price and cost transparency, and increasing speed of market interactions often mean that manufacturers have to deliver at ever shorter notice and at ever lower prices. In the past, many companies have paid a high price for their delivery capacities in the form of large inventories and safety stocks. Negative effects include increased costs and capital commitment as well as a sharp discrepancy between expected and real market price.

What companies need, therefore, is being able to deliver while significantly reducing their inventories. Effective inventory planning is the first step to ensure improvements if it produces reliable results on which companies can base material requirements and production planning efforts. Although the majority of companies already have the necessary data available in their SAP systems, almost just as many still rely on manual, time-consuming and ineffective optimization in Excel.

"We often see our customers using Excel solutions even though all necessary information is available in their SAP systems," says Marco Fries, Manager Global Consulting, Academy and Support at GIB. "Many value the flexibility that Excel offers. However, it should be obvious even to laymen that data will be outdated before sales planning can even take place if they use Excel. Furthermore, in the course of any planning project, new frameworks, conditions and requirements are created constantly. Excel lacks the capacity to consider them in real time." Error susceptibility is also a major problem, ranging from unwanted transmission errors to typos. If you want to create and leverage consistent, interface- and error-free plan-



If you want to create and leverage consistent and seamless planning, you need an SAP-integrated tool like GIB Forecast.

Marco Fries,
Manager Global Consulting,
Academy and Support, GIB.

ning, you need an SAP-integrated tool that makes use of the most recent data to determine the best possible sales plan, such as GIB Forecast. "All our data is consolidated in one solution," adds the expert.

Another important feature is the possibility of individual planning not only concerning factories and materials, but also business processes. The GIB Forecast,

for example, enables additional sales planning if required.

Different materials require different forecasts and procedures. The ideal solution enables companies to plan for the largest possible number of materials with a comprehensive selection of reliable forecasts. GIB Forecast currently offers 20 different statistical methods, and more are added with every new release.

Customers can use the currently available version to forecast requirements for spare parts and seasonal materials, among other things. “Our recommendation is to include data from the past three years in your forecasts in order to get the most reliable forecasts and statements,” Fries continues. The GIB solution calculates how consumption fits together with different forecast scenarios and takes into account internal tracking signals, meaning mathematical deviations such as standard deviations, the forecast percentage error and others. The solution utilizes a scoring card to determine the procedure that best matches observed consumption patterns. This procedure is then also applied to future forecasts. Comparisons like these take place weekly or monthly, depending on companies’ requirements.

It is furthermore possible to connect sales and marketing systems so companies can take promotions and more into consideration. The solution also offers the possibility of adding manual planning. To make results more comprehensible and clearer, users or administrators can display forecast calculations in graphs and define parameters for the system.

Usability and Simplification

Besides functional scope, service and SME specificity, small and mid-sized companies rely on usability as deciding factor when purchasing software, as usability is often what can make or break a solution. “In our current projects, user-centric design is one of our most important focus points. We therefore increasingly rely on Fiori interfaces as they make using GIB

Forecast and other features of the GIB suite even more pleasant,” Fries says. “In the future, we plan to adapt other solutions as well, as far as it makes sense. With GIB SCX, we are going one step further. The frontend of our new S/4-Hana-based solution will be entirely designed with Fiori. Our solution is based on a different, complex logic with algorithms and intra-system intelligence. Additionally, GIB suite, our proven software solution, makes use of various heuristics. In the future, we plan to increasingly focus on this intrinsic logic in order to be able to understand and meet the requirements and need of our customers.”

Usability also means that every company should be able to display their own organizational structures and requirements and get forecasts based on this information. GIB Forecast offers this level of freedom regarding sales planning. All data are presented in graphs in a clear dashboard. The solution also enables collaboration between different departments involved in the supply chain process, including sales, distribution, supply chain management and production. Different departments can prioritize plans and information according to their specifications, supporting the operative planning results in the process.

Improved usability saves time, just like fast installation and implementation. The GIB Forecast solution was developed following SAP’s Rapid Deployment Solutions approach and consequently offers all three of these advantages.

Fit for the future

The most important question: Can the solution be upgraded to S/4? The answer to this question is a resounding Yes for SAP-integrated and certified GIB software. The GIB suite is already fully operational in S/4 with all known and proven modules. GIB is SAP silver partner and has already achieved SAP Certified Integration with SAP S/4 Hana. The company is hoping to achieve its biggest success yet with a process-oriented suite specially

optimized for S/4 - GIB SCX for 2020! The new solution promises a new intrinsic logic that is even better adapted to SCM processes, increased performance and innovative functionalities not feasible in the R/3 world. In sales planning, companies will above all profit from near-real-time analysis based on the most recent data available. GIB SCX’s core, however, is the process-independent control and optimization possibility. This opens up new opportunities in inventory management, service, and in identifying and leveraging process optimization potential more quickly and efficiently than ever before - an important aspect of effective competitive and cost advantages.



We collaborate with universities to optimize system intelligence, complex algorithms and powerful heuristics.

Björn Dunkel,
Managing Director, GIB.



For holistic digitalization, GIB relies on these five pillars. A process-based solution with integrated planning process is the goal.