

From Gridlock to Integration

U.S. consumer electronics subsidiary overcomes cultural gaps to achieve a powerful SAP implementation.

The Problem

A newly formed US subsidiary in the consumer electronics arena needed to operate its finance and logistics utilizing the SAP platform of the parent company in Germany. This integrative proposition posed severe challenges. Legal and business practice differences between US and Germany needed to be incorporated with in the headquarters' SAP system. This implementation would allow the subsidiary to process goods movements and financial functions, coordinating effectively with the parent company's operations and leveraging good functional support from the German IT staff. The anticipated business benefits were smoother operations and reduced payroll costs – very desirable, as the subsidiary was just entering the US market and had limited local revenue.

Communication issues between the American and German offices quickly jeopardized the project's progress. The lack of SAP skills in the US subsidiary and of understanding US business practices in the German Headquarters raised doubts that the projected integration benefits were attainable. Design errors that caused severe delays and crippled functionality added stress to the already poor communications. Deadlines were missed. A complete gridlock ensued until Westernacher was brought in.

Overview

Business and IT alignment for smoother operation, increased effectiveness across business unit and country boundaries.

- How to align business and IT in an international environment when cultural differences become roadblocks?
- How to overhaul an SAP ERP system plagued with crippled functionality due to design errors?
- How to rescue "sunk cost" IT investment?

The Solution

Westernacher provided effective implementation and project management, facilitating communication between each country from senior executives to managers. The Westernacher professionals engaged in the project had several years of business experience in finance and logistics in both countries and thus proved to be effective intermediaries.

Our professionals' expert understanding of both business and technology, coupled with truly global experience cultivated in each consultant, proved extremely effective in untangling the gridlock and moving swiftly to a well-integrated operation.

Solution Benefits

Westernacher's support allowed the US subsidiary to:

- Win over the IT group of the parent company to implement local requirements.
- Restore SAP credibility among the user group.
- Establish a sound migration plan for the financial and logistics system.
- Implement much-improved business processes in the US operation.
- Obtain a higher level of service from the HQ IT support group.