

System migration during ongoing operation

Viessmann: a leading international manufacturer of heating, cooling and air-conditioning systems



Viessmann Logistik International GmbH is a subsidiary of the Viessmann Group, an international, leading manufacturer of systems for heating, cooling and air conditioning technology. Since 1998, the company operates a central goods distribution center (GDC) in Allendorf (Eder). Around the clock, products from production are put away into the 19 aisle automatic high bay warehouse or the 2 aisle automatic, double deep storage and retrieval system. On the peak days, up to 9,000 packages go through the warehouse as the customer can order until 18:00 h if he would like to receive the goods by the next day. Parallel to this, trucks are being loaded day and night on a total of 21 shipping ramps and sent underway in the high season up to 80 transports a day.

At a glance

Project goals

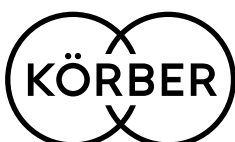
- Optimization of logistics processes
- Migration during live 24 hour operations

Solution

- SAP EWM (Extended Warehouse Management)
- incl. Material Flow Control

Features and benefits

- Uniform software landscape for warehouse and shipping
- High level of transparency in monitoring
- Reduction of disruption times
- Optimized resource utilization



The project

As it became apparent in the company that the existing warehouse management and material flow control systems could not keep up with the growing requirements, Viessmann made the decision to migrate completely to SAP EWM.

The proprietary Warehouse Management software at Viessmann Logistik International GmbH was nearly 15 years old at the time the project started. New functions resulting from changing business requirements for the goods distribution center have been added to it since then. However, functional gaps that could not be closed still existed, e.g. the transparent serial numbers and order tracking. At Viessmann, the decision was made that the existing warehouse system and the coupled material flow control were to be replaced based on these aspects.

Because the implementation of a new warehouse software should not affect warehouse operation in the slightest, they were immediately faced with the almost provocative question if it were possible and economically question to replace the Warehouse Management and material flow software in only one step. In addition, two further questions plagued the operator: Is it possible to overcome the existing functional gaps using an SAP basis? Is SAP EWM suitable for this?

The solution

From the beginning, Körber was convinced about the capability to realize the project with SAP EWM. Viessmann would profit greatly from the migration of the warehouse management and material flow control in the goods distribution center to SAP EWM. On the one hand, this is explained by the close integration



of SAP ERP and SAP EWM during the variation of the customizable logistics processes. On the other hand, the warehouse processes can be controlled and monitored granularly and modified if needed.

Success factors

Which requirements had to be fulfilled in order to migrate the distribution center to the new system level during ongoing 24-hour operation? Success was especially based on three factors:

- A phase approach was used for the migration of the DC to SAP EWM
- For the tests „in the office“ and in the real conveyor technology system, a test environment that included all relevant systems was used
- A test phase in the production system was initiated weeks prior to the go live.

Summary

At Viessmann, the flawless system transition during operative business was successful. This proves that it is possible to technically and organizationally migrate a proprietary warehouse system to SAP EWM in ongoing operation. In the DC, this ultimately worked out due to the interaction of several factors. A „test ready“ operator, who provided real test data for all of their processes, was needed for the tests „in the office“ as well as the tests in the real plant. Viessmann Logistik, who personally monitored the tests at the beginning, gradually took over as the go live drew near. Alongside the concept for the necessary processes in the warehouse, it was Körber's duty to bring the required test and simulation tools into action and to raise the test repeatability and efficiency for large plants to the required level.

Since then, Viessmann benefits from the differentiated variations of the numerous warehouse processes and the high transparency in monitoring. Furthermore, there is a measurable increase in efficiency: „With SAP EWM, we surpass the values of the previous system. We were able to increase our target figures, which our employee resource planning and our productivity targets are based on, in the various warehouse areas by 5 up to 10 percent because the system stores out stock faster and the employees work well with the new work center dialogs,“ states Peter Löwer, Manager of Distribution Logistics Germany of Viessmann Logistik International GmbH.

