Business Challenge
In the face of strong competition, Deufel wanted to ensure that it could adapt swiftly to changing demands while maintaining a firm grip on project costs.

Transformation
Deufel joined forces with IBM Business Partner Zimmerer and migrated its SAP® ERP applications to IBM® Cloud for SAP Applications, boosting performance and increasing business agility.

Business benefits:

**50%**
time saving on financial controlling thanks to streamlined, automated reporting

**25%**
faster SAP ERP application performance since moving to the IBM Cloud

Implements

customer service by enabling integration with clients’ SAP applications

Deufel
Streamlines controlling thanks to real-time insights with SAP applications in the IBM Cloud

“Working with IBM Business Partner Zimmerer, we can take full advantage of the IBM Cloud and SAP applications to help us meet new demands in our industry.”

Hans Deufel, CEO, Johann Deufel GmbH

Johann Deufel GmbH manufactures the medical instruments that doctors, nurses and surgeons use to diagnose and treat patients. The family-run company has been producing high-quality medical and surgical instruments for over 75 years. Based in Kolbingen, Germany, Deufel employs around 40 people.
Gearing up for change

To diagnose, monitor and treat patients effectively, medical professionals rely on having the right tools for the job to hand. That’s where Johann Deufel GmbH comes in. Based in Kolbingen in Germany, this family-owned company has been manufacturing medical instruments for more than 75 years, supplying healthcare companies with equipment for use in hospitals and medical centers around the world.

Precision and quality have been at the heart of Deufel’s manufacturing operations since the company’s founding. But as digital technologies such as automation and robotics become increasingly advanced and widespread, the company recognized that to remain at the forefront of its industry, it needed to streamline its operations, increase cost transparency and provide better customer service.

Hans Deufel, CEO of Johann Deufel GmbH, begins: “We have begun branching out into providing automation services to customers, but until recently we were still managing a lot of business processes internally using spreadsheets and other manual processes. The pace of business is accelerating all the time, and we wanted to be able to integrate closer with customers and partners, and also have better information about our production projects, so that we could react faster to customers’ demands and ensure the best possible service.”

Focusing on the core business

Starting its digital transformation process, Deufel replaced existing manual workflows with SAP ERP with help from IBM Business Partner Zimmerer GmbH, which specializes in providing managed SAP services to small and medium-sized businesses. Initially, the solution ran on-premise in Deufel’s head office.

Hans Deufel comments: “We wanted a first-class and future-proof ERP system we could rely on to keep our business operations running smoothly all day, every day. That’s why we chose SAP ERP – a proven solution from a market-leading vendor.”

Deufel later decided that it made sense to allow its own IT personnel to focus more on its core business, rather than running and managing the SAP ERP application. Building on its trusted relationship, Deufel asked Zimmerer to take full control of the business applications. Zimmerer stepped in to help, and began providing Deufel with a managed SAP service based on IBM Cloud for SAP Applications.

Hans Deufel adds: “We’ve been working with Zimmerer for more than 20 years and we have always been highly satisfied with the service, so we were only too happy to entrust them with running our mission-critical business application in the IBM Cloud. Zimmerer acts as our single point of contact and keeps everything running smoothly for us – freeing up our time and resources to focus on our core business.”

Enhancing efficiency and agility

Today, Deufel’s SAP ERP solution is delivered as a fully managed service by Zimmerer. Hosted in the IBM Cloud™, the SAP application runs in a high-security IBM data center where specialist teams manage and maintain the underlying servers, storage, networking, operating systems and databases. Zimmerer works closely with IBM to ensure smooth operations and adapts the SAP applications to Deufel’s needs. Deufel benefits from a tailored and fast SAP ERP landscape without having to worry about software upgrades, patches, or technical issues.

Hans Deufel says: “In the past, we had to invest in hardware upfront, and maintaining the relevant IT skills in-house was a challenge. Since moving to IBM Cloud, Zimmerer takes care of our complete SAP ERP landscape. Now, all we need is a highly secure, encrypted VPN connection and employees have instant access to our SAP ERP applications with all the digital processes and reports. The managed service from Zimmerer saves us time and effort, while also keeping the costs low. For example, we don’t need to hire dedicated IT personnel just to keep things running.”

Critically, guided by partner Zimmerer, the company has significantly boosted operational efficiency and agility, putting Deufel in a strong position for continued success in today’s digital business world.

Today, Deufel can manage all its business processes – from production planning and manufacturing through to finance and controlling – with SAP ERP. By harnessing the same business applications as larger companies, Deufel can integrate more closely with partners and customers in its industry – setting itself apart from the competition.

“IBM Cloud for SAP Applications is the perfect foundation for our tailored SAP offerings. It provides us with a secure, reliable, cost-effective and easily scalable cloud infrastructure with all the relevant services.”

Hans W-Werner Zimmerer
CEO
Zimmerer GmbH

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Hans Deufel notes: “Performance has significantly improved since migrating our SAP ERP application to the IBM Cloud, with response times around 25 percent faster than before. This means that we can process orders more quickly and respond in an agile manner to changing customer expectations.

“By replacing manual processes with slick digital tools, we’re increasing efficiency. Because all financial data is available in SAP ERP, we no longer rely on slow, time-consuming manual steps in spreadsheets for project controlling. We estimate that we spend 50 percent less time on tracking and analyzing project costs as a result.”

Deufel’s move to managed IBM Managed SAP Services also paves the way for further IT optimization, as Hans-Werner Zimmerer explains: “We are already looking ahead and evaluating the possibility of moving to the next-generation business suite, SAP S/4HANA®. SAP S/4HANA will enable Deufel to take advantage of real-time analytics to further enhance business processes and support smarter decision-making. We are also supporting Deufel in introducing new user interfaces with SAP Fiori® to provide staff with a more user-friendly experience.”

With faster, more efficient and more agile business processes in place, Deufel is better equipped to navigate the new world of digital manufacturing.

Looking to the future, the company plans to introduce greater levels of automation into its production processes by deploying sensors and Internet-of-Things (IoT) solutions. This step will allow Deufel to follow the Industry 4.0 approach and offer more customized products without increasing manufacturing costs.

Hans Deufel concludes: “If we want to be around for the next 75 years, we need to move with the times and transform our business. We have already made significant progress in modernizing our processes. Working with IBM Business Partner Zimmerer, we can take full advantage of the IBM Cloud and SAP applications to help us meet new demands in our industry.”