



Worldwide Integration: SAP R/3 Introduction at Wella AG.

In order to increase productivity and to lower costs, the Wella Group is working consistently to consolidate its resources and to standardize and simplify its business procedures. This is the background for the worldwide introduction of SAP R/3 to the company, started in 1997 and hopefully completed in 2002.

Think global, act local – this phrase describes the Wella Group particularly well. The traditional international company, with its headquarters in Darmstadt, was already thinking on a worldwide scale, even before the expression “Global Player” had become widely known. Today, the Group is represented in 123 countries with 49 incorporated units and employs 15400 people. In 1998, Wella reported a turnover of 4.3 billion deutschmarks, of which approximately one quarter was in the most important market; in Germany. Wella AG concentrated on the business areas of “hair cosmetics for consumers (retail) and hair cosmetics for hairdressers/ beauty shops”, as well as “scents”. The Wella brand is the driving force behind the continuous growth of the company. This is documented by an 80% level of public brand awareness.

Marketing products worldwide using the Wella brand name is part of the strategy of the Group, as is coming as close as possible to the regional culture and therefore to the markets. The core company sectors of research and development, controlling, personnel, marketing and IT are concentrated in Darmstadt. The individual departments are responsible for ensuring that the company goals are



ned.

Highest level of acceptance and protection of investment

The Wella Group was one of the first users of SAP R/3 on AS/400. “In 1995, Wella took over the Muelhens company in Cologne, and as a result our Group had 40 IBM AS/400 systems employed worldwide”, says Wolfgang Stadler, Chief Information Officer – Corporate Development at Wella AG. “With these units, we had the appropriate infrastructure and also the technical know-how. We wanted to exploit both of these. However, there were limits to the standard software that was being used in the various departments.” The group sectors of financial accounting, sales, production and personnel decided independently of one another in favor of SAP R/3 as the new standard software.

Industry	Consumer goods
Application	SAP R/3 Modules FI, CO, SD, MM, PP
Software	OS/400 DB2/400
Hardware	IBM AS/400





“SAP R/3 makes it possible to represent ideal business models or best practices, which must be acceptable to all parties responsible”, says Stadler.

On the basis of this acceptance, the concept was created for the introduction of SAP R/3 within the Group, to be carried out according to country and company-specific conditions, either step by step or immediately. At the present time (mid-1999) over 1500 users are working productively with the system in more than 30 sectors.

IT and business know-how complement each other

In a European project team consisting of managers responsible for IT and the business divisions, agreement was reached in the future applicable standards and the details relating to the integration and group-wide unification of data, procedures and structures. “We have had very positive experiences with this procedure”, says Wolfgang Hildebrandt, Manager of the SAP Competence Center and IT Manager (Europe). “In the next few years, our system, which was built up for Europe, will be introduced into America and Asia in a similar way and will be extended from country to country.”

IT know-how is therefore no longer conceivable without business know-how. The willingness to close down computer centers in the various countries and to create IT service organizations internally is supported through a comprehensive range of services in the IT sector.

“The continuously-improving system availability and performance of our centrally-controlled IBM AS/400 systems help us to fulfill this service promise. The proper integration of machines, operating systems, databases and applications on the IBM AS/400 gives us considerable relief from administration tasks.”

Wolfgang Hildebrandt, Manager of the Competence Center SAP and IT Manager, Europe

Considering the background of the numbers of users and the system security, the benefits to the total cost of ownership for the constellations SAP R/3 and IBM AS/400 are clear. This does not rule out that at individual European Wella subsidiaries SAP R/3 runs in an NT* environment, just as is true of the Lotus Notes system with over 6 000 users. “We look at each decision first and foremost from the point of view of cost”, says Wolfgang Hildebrandt.

Less complexity, accelerated procedures – what applies to Wella as a whole and the work with SAP R/3 also applies to support. At Wella, it is considered important to have as few interfacing partners as possible. Before the acceptance of new booking procedures and users, quality assurance checks are performed together with IBM and SAP so that the total system remains measurably stable. “The decision in favor of SAP R/3 on the IBM AS/400 was correct”, says Wolfgang Stadler.

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