

Draka Improves Cross Company Order Fulfillment With Vitria®



“In a period where economies of scale can be obtained through specialized production facilities, we see an opportunity for inter-company trade within the Draka group, and for each sales organization to offer a full range of products in their markets. BusinessWare® is the enabling technology that makes it possible to share information between different ERP systems used by Draka companies, facilitating the transparent fulfillment of orders.”

► Aad Oudeman, Manager E-Business
Competence Center & ICT



The Challenge

Draka has grown significantly through acquisition over the last 15 years and now has a total of 60 operating companies serving specific geographies worldwide. Traditionally, each of these operating companies ran as a discrete organization, producing and selling specific products for its own market.

However, in response to economic conditions and increased competition, Draka has chosen to rationalize and consolidate its operations, in order to reduce costs and increase revenues. The company has created dedicated manufacturing centers for specific product ranges and needed to integrate its businesses to offer customers greater choice.

To achieve this goal, Draka needed to overcome the disparate nature of its separate manufacturing and sales operations around the world, but also retain its local presence and control, in order to maintain customer relationships.

“We wanted to focus the manufacture of specific product ranges to the most suitable production plants, but at the same time we needed to enable sales of each product to our customers globally, through each operating company,” explained Aad Oudeman, Manager E-Business Competence Center & ICT

Each Draka operating company uses its own preferred ERP system to manage local production, sales and accounts. For example, Draka Germany used SAP while Draka Netherlands used Baan. Clearly, to enable cross company order fulfillment, order information needed to be communicated between these different systems, irrespective of data format and structure.

“We wanted to create a system where the fulfillment of orders could be managed transparently; where a customer order for any number of products could be placed through any Draka company, automatically disaggregated and

Business Profile

Headquartered in Amsterdam, the Netherlands, Draka develops, manufactures and sells cable for low-voltage and telecommunications purposes. The company's objective is to become one of the leading cable manufacturers in the world.

Revenue: 1.5 billion Euros

Employees: over 8,000

No. operating companies: 60

No. countries operating in: 25

Challenges

- Overcome discrete operations leading to lack of integrated business
- Enable cross selling of full Draka product range across all operating companies
- Enable real-time inventory visibility both internally and externally for customers and suppliers

Results and Benefits

- Delivered transparent, cross company order fulfillment
- Successful integration of German sales and Netherlands production systems
- Netherlands product inventory available in real-time in German ERP system
- Norway and Sweden ERP integration underway

each part communicated to the relevant ERP system for production, fulfillment, and delivery,” Oudeman continued.

The Solution

Draka deployed the BusinessWare business process integration platform to integrate the various ERP systems used by its operating companies and to ensure accurate and effective fulfillment of orders.

BusinessWare disaggregates customer orders, cross-references product codes and submits orders to the various ERP systems in use by Draka production companies. The integration platform is also used to enable acknowledgments, confirmations and delivery advice notes to flow back from the various ERP systems into the source ERP system, where the original order was placed.

Each Draka company uses its own set of historically defined product codes, meaning that the description and identification of a single product can be different in the source and target systems. Similarly, due to different market forces and constraints, product prices and pricing structures also vary from one market to another, and therefore from one ERP system to another. BusinessWare enables Draka to overcome these and other variable factors through the use of business rules within the integration platform.

Business rules provide a set of defined and reusable data mapping instructions that enable Draka to define all the actions or transformations required for order data to flow back and forth between Draka ERP systems. The business rules within Draka's integration layer include Order entry, Order confirmation, Order status, Contract, Stock information, Shipping, Invoicing and Product data.

Results and Benefits

Stage one of Draka's integration project is now complete. This was focused on integrating German orders for part of Draka's product range produced in the Netherlands. Draka Germany uses SAP to capture orders which are then communicated, via BusinessWare, to the Netherlands' Baan system for production and fulfillment. BusinessWare also enables product inventory from Baan

to be visible in real-time within SAP in Germany. Draka is currently deploying the next stage of its project, involving integration between the Norway and Sweden Baan-ERP systems.

“BusinessWare will provide each Draka company with a standard set of highly scalable and reusable integration tools, which will enable the companies to continue using their well established ERP systems, keeping costs to a minimum and providing a company-wide methodology for integration,” commented Oudeman.

Having created this initial cross-company inventory visibility between German and Dutch operations, Draka is now also presenting the information as a general service that is available on the company's group-wide intranet, as well as to selected wholesalers via an extranet. Draka also plans to offer real-time inventory visibility by using BusinessWare to integrate its own systems with the sales order systems used by its wholesalers.

While still in the early stages of use, Businessware ultimately will enable Draka to create a matrix style organization, where any product can be ordered through any operating company, and fulfilled with complete transparency to the customer, by the relevant dedicated production center. This will enable Draka to maximize sales and control the costs of production, while improving customer service.

Oudeman concludes, “In a period where economies of scale can be obtained through specialized production facilities, we see an opportunity for inter-company trade within the Draka group, and for each sales organization to offer a full range of products in their markets. BusinessWare is the enabling technology that makes it possible to share information between different ERP systems used by Draka companies, facilitating the transparent fulfillment of orders.”



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