

# HENGSTENBERG SEES CLEARLY WITH XPRESSPSA

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## THE CUSTOMER

Founded in 1876 in Esslingen on the Neckar river, Hengstenberg currently employs about 550 in Germany at their Esslingen, Fritzlar and Bad Friedrichshall locations. The company sells both the Hengstenberg brand and the ORO di Parma brand as well. Hengstenberg's range of products includes not only sauerkraut, red cabbage and pickles, but also vinegar, mustard, fine pickled vegetables and tomato products.

## THE CHALLENGE

Consumer goods manufacturers have traditionally depended on the program "flying Excel" for their planning processes. But using this program presents numerous challenges. Consolidating individual planning sessions into a single planning version is a complicated process for the controlling department. Consistently calculating the various scenarios is nearly impossible due to the effort involved. Comparing marketing and sales planning always presents companies with reoccurring problems due to the different levels of granularity. An integrated system, with a variety of planning and simulation options for conditions, sales volume and sales revenue, is rarely seen in the consumer goods industry in Germany. Not so at Hengstenberg; the company plans and simulates its sales volume, sales revenue as well as the discounts and the conditions to be implemented in the industry template xpressPSA. In the past, the key accountant used Excel to not only plan the conditions for the company products but also to keep track of sales volume and sales revenue. However the effort required to coordinate, maintain and manage changes was very high. Different projections were very difficult to compare in Excel. The company decided to eliminate these weaknesses by using an integrated planning and simulation system. The company worked together

with the IT service provider is4 to develop the industry template xpressPSA. The close coordination with the actual daily working practices of the end user and the resulting high acceptance of the system after its introduction spoke for the use of the template. Hengstenberg has been productively using xpressPSA for several months now.

## THE SOLUTION

xpressPSA differentiates four types of planning; marketing planning, sales or key account planning, the associated conditions planning as well as operative sales planning. The major differences between individual types of planning are in how goals are set, how levels of granularity are chosen and how key figures are planned. In marketing and operative sales, planning is done on an aggregated customer level; however, each individual key account manager includes his customers in both key account planning and in conditions planning. At the key figure level, planning takes place along the database structure schema right down to net-net exchanges (sales, price, discounts, conditions) in marketing and key account planning. However, in operative sales planning, only sales volume is projected. Conditions planning involves taking flexibly configurable discount formulas into account, which then become the references for individual conditions. Although the four different planning types are available in different levels of granularity, the plans can be compared to each in xpressPSA so the final result of a planning process is a coordinated state of planning.

However, the focus of planning in xpressPSA is the interaction between key account planning and conditions planning. After planning sales volume and prices in key account planning, Hengstenberg sets up discounts and conditions in conditions planning in many levels of the product hierarchy. When this is done, absolute conditions and those based on percentages as well as compensation per piece are possible. After the data has been entered, the planners are then able to calculate the database structure for the conditions at the press of a button. For this, the currently applicable planned sales volume and sales revenue for one version in key account planning as well as a conditions schema created in the system for using the subtraction sequence and for determining the intermediate levels are taken into account. In order to enable consistent article database views, xpressPSA consolidates each condition except the individual article. When this is done, the validity period of the condition is taken into account. After the calculation, key account planning is automatically updated with the new discount and condition data. Using various simulations in every set of plans, it is possible to play through alternate scenarios at Hengstenberg in order to evaluate better the effects. This allows key account managers to optimally prepare for business negotiations.

## THE BENEFIT

The xpressPSA planning applications are integrated in the SAP portal. All reports and administrative planning options are also integrated in this standardized, web-based interface. The various administrative tools from xpressPSA have been developed so that they can be used directly by the employees in a department. Instead of complicated system processes for master and movement data within the SAP GUI that is required to initialize a new plan version, authorized users at Hengstenberg can take care of all the preparations within the portal at the press of a button using Web-Dynpro applications; this enables planning with a minimal expenditure of effort. It is also possible to track the planning status of the individual planning tasks of all the key account managers. The administrator can see which planning tasks have already been completed by the key account managers and which are still open. Customer-single object planning can be consolidated within the report system into an overall plan at any time. Although the actual granularity of each planning instance varies, it is still possible to compare marketing planning and key account planning. So in the end of the planning process, the company has a consolidated and coordinated planning status for both departments. xpressPSA also includes an authorization system. This controls which key account manager has permission to plan which customer nodes.

From a technical standpoint, xpressPSA was implemented using integrated SAP BW planning. In addition to integration into the SAP world, further arguments for SAP NetWeaver BW-based planning are the licenses the company already has access to, the existing SAP know-how in the IT department and the money saved that would have been spent buying additional hardware for use with a proprietary solution. The costs for introducing xpressPSA were comparable with the costs for implementing a proprietary planning solution. However, if the total cost of ownership (TCO) is taken into consideration, xpressPSA definitely came out on top. Since xpressPSA is a predeveloped system based on industry best practices, Hengstenberg was able to minimize project costs and risks. The template already covers 80 to 90% of the typical requirements in the consumer goods industry. In a blueprint phase, only the necessary modifications for the respective business process were implemented. "The entire planning, reporting and administrative interface is integrated into the SAP NetWeaver portal. As a result, we have a user-friendly, uniform and web-based "look & feel" for all planning processes, reports and administrative tasks," reports Matthias Pfeifer, key account manager for Hengstenberg and project manager for introducing the application.



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