

## SAP Customer Success Story Mill Products – Cable Manufacturing



**“With SAP for Mill Products, we adopted teamwork, improved communication and sharing of knowledge, and established new best practices. This is one of the best values for ELKA kabeli.”**

Gordana Ivančir, Adviser for Enterprise Resource Planning, ELKA kabeli d.o.o.

### AT A GLANCE

#### Summary

Zagreb-based ELKA kabeli d.o.o. is a leading producer of cables. Since 1927, the Croatian company has created high-quality products while steadily expanding into new markets. ELKA kabeli selected the SAP® for Mill Products solution portfolio to support its corporate growth strategy and to improve and standardize its existing business processes.

#### Web Site

[www.elka.hr](http://www.elka.hr)

#### Key Challenges

- Standardize business processes
- Share production-related data
- Facilitate financial reporting
- Integrate applications within the IT infrastructure

#### Project Objectives

- Establish standardized business processes
- Improve the flow of communication
- Enhance the company's ability to make strategic decisions
- Improve the ability to control costs
- Implement a dynamic software solution that addresses current and future business needs

#### Solutions and Services

SAP for Mill Products solutions

#### Why SAP Solutions

- Can be enhanced as the company expands and its business needs change
- Easily integrate into existing IT infrastructure
- Support complex cable industry requirements

#### Implementation Highlight

106 users

#### Key Benefits

- Improved flow of information in daily operations
- Quick and precise reporting
- Greater ability to control production and business costs
- Stronger work discipline and better compliance with business processes

#### Implementation Partner

b4b

#### Existing Environment

Legacy systems for cable construction, financials, logistics, payroll, and order and payment processing

#### Database

Microsoft SQL

#### Hardware

IBM Server

#### Operating System

Microsoft Windows NT 2000, 2003

## ELKA KABELI

### SAP® for Mill Products Helps Cable Provider Support Corporate Vision by Standardizing Business Processes

Keep production costs down – but don't compromise on quality. Manufacturers in the highly competitive cable industry face this seemingly impossible challenge when managing production and business processes. When an organization is facing constant dynamic growth, it can be even more difficult to determine the most efficient process.

ELKA kabeli d.o.o. – eastern Europe's leading cable producer – is no stranger to this challenge. Headquartered in Zagreb, Croatia, ELKA kabeli manufactures and distributes wires and cables, including telecommunication, optical, LAN, optical ground wire, fire-retardant, and halogen-free shipboard cables, as well as cables for the petrochemical industry. Since 1927, the company has created high-quality products while steadily expanding into new markets.

With the SAP for Mill Products solution portfolio, ELKA kabeli found a way to continue its expansion strategy by creating standardized and efficient business and production practices.

### Modernization of a Business System

Each year, ELKA kabeli noticed that it was receiving a larger portion of its sales from western Europe and from nontraditional markets like petrochemicals. The company needed to define and standardize its manufacturing and business processes based on

global business practices to continue this trend. After evaluating three solutions, ELKA kabeli found that SAP for Mill Products solutions most completely addressed its current and future business needs.

ELKA kabeli relied on the expertise of 20 consultants from b4b – one of Croatia’s leading SAP partner consulting companies – to ensure a successful implementation. With more than 60 employees from ELKA kabeli, the consultants helped to simultaneously implement the logistics and finance areas and integrated those functions within the IT infrastructure.

**“By providing access to more detailed and diversified reports with real-time data, SAP for Mill Products has made control of production and finances possible.”**

Gordana Ivančir, Adviser for Enterprise Resource Planning,  
ELKA kabeli d.o.o.

According to Gordana Ivančir, adviser for enterprise resource planning for ELKA kabeli, “The teamwork between ELKA kabeli, b4b, and SAP paved the way to ease the introduction of the new business information system. A number of problems and obstacles had occurred during the implementation, but the dedication of all the persons involved in the project has been the basis for its further development.”

### **A Solution for the Cable Industry**

SAP for Mill Products gives ELKA kabeli realistic control over materials and costs related to making its products with customized design reports. ELKA kabeli also has key data to determine how to squeeze out inefficiencies and unnecessary costs in the sales and distribution process.

“By integrating SAP for Mill Products within our IT systems, ELKA kabeli has a solution that supports the basic process and requirements of the cable industry,” says Ivančir.

### **Improved Information Flow**

ELKA kabeli has drastically changed the flow of information by using SAP for Mill Products. Prior to the implementation, documents for orders, sales inquiries, complaints, quality notifications, certificates, and maintenance orders were created and sent by e-mail. Now, they are created in SAP for Mill Products and made available to the appropriate employees.

In addition, information relevant to production is accessible in the solution. Production planning is now carried out in SAP for Mill Products, and everyone involved can see the results. Appropriate personnel can track availability and the state of materials and semi-finished products for production orders. Plant workers confirm the production orders with a bar code scanner. Also, the entry control is registered in the system. With faster access to business information, the production process has become more efficient.

Ivančir points out, “By providing access to more detailed and diversified reports with real-time data, SAP for Mill Products has made control of production and finances possible.”

### **Future Success with Information Technology**

SAP for Mill Products is helping ELKA kabeli standardize its business processes and control its material supply and costs. But that’s just the beginning.

ELKA kabeli is planning to implement the SAP® Advanced Planning & Optimization (SAP APO) component to optimize planning and capacity distribution in real time with actual resource data and related costs. SAP Advanced Planning & Optimization will introduce additional, significant changes in business operations that will improve production and further reduce business costs.

“With SAP for Mill Products, we adopted teamwork, improved communication and sharing of knowledge, and established new best practices,” concludes Ivančir. “This is one of the best values for ELKA kabeli.”