



CONSTRUCTION AND ENGINEERING GIANT REAPS A HOST OF BENEFITS BY IMPLEMENTING SAP® PLM

QUICK FACTS

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Dr. Ralf Diekmann, Head of PLM, Global IT, Hilti Corporation

Company

- Name: Hilti Corporation
- Location: Schaan, Principality of Liechtenstein
- Industry: Engineering, construction, and operations – construction companies
- Products and services: Innovative products, systems, and services for applications in the construction industry and for civil engineering
- Revenue: US\$4 billion
- Employees: 20,000
- Web site: www.hilti.com
- Implementation partner: DSC Software AG

Challenges and Opportunities

- Ensure smooth, reliable product data management
- Increase transparency by providing employees around the world with consistent information
- Eliminate error-prone manual processes
- Improve collaboration across multiple sites
- Pave the way for future enhancements

Objectives

- Replace legacy solution with an integrated application
- Implement the SAP® Product Lifecycle Management (SAP PLM) application
- Roll out functionality to international sites

SAP Solutions and Services

SAP PLM

Implementation Highlights

- Outstanding teamwork between Hilti and implementation partner
- Clearly defined objectives and project road map
- Implementation that was completed on time and within budget
- Excellent change management

Why SAP

- Existing long-standing technology partnership with SAP
- Aim of harmonizing IT across the company based on standard SAP software

Benefits

- Increased transparency of engineering data
- Standardized, intuitive graphical user interface
- Greater standardization of processes
- Improved knowledge management

Existing Environment

Extensive IT landscape, including a large number of SAP solutions, such as the SAP ERP application as a single-client solution

Third-Party Integration

- Database: Oracle
- Hardware: Hewlett-Packard
- Operating system: Linux



SAP Customer Success Story

Engineering, Construction, and Operations – Construction Companies



Effective management of key product data is an important aspect of development and production. And collaboration between developers can accelerate innovation and shorten time to market. This is why global engineering company Hilti Corporation replaced its legacy product data management (PDM) system with an integrated solution from SAP. With the SAP® Product Lifecycle Management (SAP PLM) application, Hilti now enjoys improved transparency across design and development processes and greater operational excellence.

Headquartered in Schaan in the Principality of Liechtenstein, Hilti is a major global player in the construction and engineering markets. Founded in 1941, it has evolved from a small family enterprise to an international company, which operates in some 120 countries. Hilti designs, develops, manufactures, and markets a wide portfolio of products for deployment in construction and civil engineering, including devices for measuring and drilling, installation systems, and chemicals. The company prides itself on its highly innovative approach. Hilti employs a global workforce of almost 20,000. In 2010, it posted revenues of US\$4 billion.

The Building Blocks of Success

As a forward-looking company, Hilti relies on an extensive, up-to-date IT architecture based on the latest technology standards. For over 20 years, this has included software from SAP. In 2000, the company opted to roll out SAP solutions

across the entire enterprise as a single client. As part of this initiative, Hilti introduced functionality from SAP for customer relationship management (CRM), human resources, business intelligence – and many other critical areas. “SAP solutions support all our business processes and help us remain flexible and agile,” explains Dr. Ralf Diekmann, head of PLM of Global IT at Hilti. “Standardized IT means we can respond faster to changes and roll out functionality to multiple sites much quicker. Many of our innovative sales models would not have been possible without SAP software.”

However, product data management at the company was still based on a legacy application. Hilti operated a homegrown PDM solution at seven international production and development sites. “Although this was a stable system that had served us well, we were starting to notice more and more drawbacks. It was struggling to keep up with the latest technology

developments, and integration with new solutions would often prove tricky,” recalls Diekmann. “To move with the times and boost efficiency, we decided to replace it with a standardized solution.”

An Expert Partner

Hilti called in independent IT analysts to assess the company’s requirements and help find an answer to its challenges. After careful evaluation of the existing environment, the experts suggested two possible solutions. “We conducted workshops, performed extensive tests, and met with the two potential implementation partners,” explains Diekmann. “We wanted to be absolutely certain we were making the right decision for our company. Based on our findings and the compelling presentations and discussions, we were convinced SAP PLM in combination with DSC was the best fit.”

Headquartered in Karlsruhe, Germany, DSC Software AG is an IT consultancy and SAP partner. The company focuses on developing and implementing solutions in the PLM space. It has over 25 years of experience working with CAD and product data management systems and can contribute a wealth of expertise to projects in these areas. Diekmann explains, “We were impressed by DSC’s proposal, in particular with regard to their user-friendly interface to SAP PLM, their deep understanding of our needs, and their ability to customize solutions to fit our requirements.”



“The expert support and good advice we received from DSC was a key success factor during the implementation of SAP PLM.”

Dr. Inka Baumgart, Head of Global CAD/PLM Support, Hilti Corporation

Outstanding Collaboration

At the same time as undertaking to replace its PDM solution, Hilti was upgrading its core SAP ERP application and performing a Unicode conversion. This increased the complexity of an already involved project. “As a result, we opted for a step-by-step gradual implementation as a big-bang approach was deemed too risky,” comments Diekmann.

From the outset, experts from DSC and Hilti worked hand in hand to define goals and align stakeholders’ expectations. The project was slated for two years and planned meticulously from the word go. “We laid down the scope of the engagement, allocated roles and responsibilities, and made sure everyone was up to speed

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on the project’s progress throughout,” explains Diekmann. “This helped to keep the project in motion and avoid unnecessary interruptions due to misunderstandings. As a result, we were able to complete it on time and within budget.”

Collaboration between DSC and Hilti was excellent at all stages. In fact, as Dr. Inka Baumgart, head of global CAD/PLM support at Hilti, explains,

“The expert support and good advice we received from DSC was a key success factor during the implementation of SAP PLM. The consultants understood our needs and were able to put these into practice quickly. What’s more, they were prepared to tread new territory with us by delivering solutions to meet our very specific and often highly complex requirements.”

Gradual Changes

The project team, comprising professionals from Hilti and DSC, was divided into three distinct groups: business experts, process managers, and IT specialists. All parties agreed on a three-phase implementation. The first phase involved introducing and piloting SAP PLM at two business

units for a period of eight months. The next phase, the most ambitious of the three, was designed to roll out the functionality across all designated business units and production sites. And the aim of the final phase is to evaluate changes and optimize and enhance the new solution where possible. With two phases already wrapped up, Hilti and DSC are extremely pleased with the progress to date. “We initially kept the legacy PDM

application running in parallel. Now we’ve successfully migrated all data and switched entirely to SAP PLM,” says Diekmann.

A great advantage for Hilti was the graphical user interface to SAP PLM developed by DSC. Called Engineering Control Center, the DSC user interface needed only slight customizing to fulfill Hilti’s specific needs. “The DSC user interface was a relevant factor in the broad user acceptance of the solution,” explains Baumgart.

Consistent, Accurate Information

Since SAP PLM went live at all Hilti engineering sites and selected production facilities around the world, the company has been reaping multiple benefits. Collaboration between staff based at different locations has improved greatly because everyone has access to up-to-date, consistent data within a single software solution. “If modifications are made to technical drawings, for example, they are saved centrally and everybody can call up the latest version,” explains Diekmann. Furthermore, an innovative feature developed by DSC allows users to choose between opening the current document and an older, less data-heavy version. Depending on individual tasks, not every staff member needs access to all the changes. Selecting a smaller file cuts the time it takes to load – which is especially useful for workers at remote locations, such as those in China.

"In the past, data from our CAD systems had to be entered manually to our PDM application as there was no interface between the two," adds Baumgart. "SAP PLM dovetails with our CAD solution so information such as bills of materials are transferred automatically, reducing scope for error and saving time and effort."

Thanks to SAP PLM, Hilti has been able to introduce global PDM processes and standardized procedures. This improves business transparency and enables faster, more efficient working.

Flexible Future

The PDM and PLM spaces are ongoing topics for Hilti that will present new challenges as time goes on. "Development in these areas will certainly not end with the completion of the project," states

Diekmann. "On the contrary, we plan to enhance our solutions further and add functionality as and when required. Having the standardized SAP PLM application will make this task much simpler, as it is flexible and responsive to change."

Although it is still too early for quantifiable results, Diekmann, Baumgart, and their colleagues are extremely pleased with their experience with SAP PLM to date. "What's more," concludes Diekmann, "we were very impressed with the way the project was managed. Thanks to the hard work of our own people and DSC, we completed an ambitious undertaking on target. In fact, we were delighted to pick up a gold quality award from SAP Switzerland for our SAP PLM project – further proof of its overwhelming success."



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