

SUCCESS STORY



Machine and Plant Engineering | SAP Rollout | KUKA Roboter GmbH



With an SAP rollout, KUKA, a manufacturer of industrial robots, introduces more transparency in the purchasing and financial accounting departments of its Chinese subsidiary and exchanges data with the "Golden Tax System" via an interface. Internal order processes between China and the German headquarters now run via IT and without media break.

**SAP Rollout in China at
KUKA Roboter GmbH**

KUKA

KUKA robots with SAP Rollout Data bridge connects China and Germany

Whether body production, painting or final assembly of cars, plastics manufacturing or metal processing: modern, PC controlled industrial robots are indispensable for these and many other fields of application. They help in the automation of production processes or logistics and contribute to improving and making processes more flexible.

Consolidating processes under one ERP roof

KUKA Roboter GmbH from Augsburg is one of the leading suppliers in this field. The international company develops and manufactures industrial robots as well as the relevant controls and software solutions. The robots are sold around the world. With its 25 subsidiaries, KUKA Roboter GmbH is represented in the most important markets of Europe, America and Asia; in 2012, the company generated revenue of 742 million Euro with a staff of 3,200 worldwide.

KUKA Roboter GmbH

Head office: Augsburg
Industry: Machine and Plant Engineering
Staff: 3.180 employees
Turnover: € 742,6 million
Sites: Over 25 branches worldwide
Web: www.kuka.com

The robot manufacturer is a global competitor. This means that the consistency and standardization of operating procedures and the smooth exchange of information and data between the companies are strategic factors for long-term economic success. For this purpose, all locations and business processes must be consolidated under one central IT roof. KUKA Roboter GmbH has already laid the foundations for this: The company maps its processes with the integrated functions of the business software SAP ERP and has set up a central client in Augsburg.

China as growth engine

The IT processes defined here need to be established gradually in all production sites via an SAP template. Currently, the locations in France, Austria, Poland, Czech Republic and Hungary work with the SAP system; KUKA Roboter GmbH has just recently in-

tegrated the Chinese subsidiary in Shanghai in the ERP solution, on the basis of the SAP template. In this context, the SAP functions for materials management, sales and shipping as well as for financial accounting and controlling merely had to be adapted to the local requirements.

The integration of the Chinese company was urgently required as the country has become a growth engine for KUKA: The market is growing at double digits each year. In Shanghai, currently approx. 130 employees are active in KUKA's robot business. Currently a new factory with a size of 20,000 sqm is being built, in which the KR-QUANTEC robot series and the KR-C4 control systems will be assembled.

Continuous processes, lower process costs

In order to expand market share in the highly competitive market of industrial robots in China, the Chinese KUKA subsidiary requires efficient and transparent business processes, ranging from purchasing, sales and financial accounting to controlling. With the rollout of the SAP ERP Template, the company is one large step closer to its goal.

This way, the purchase of materials and the provision for production is now based on actual requirements; the processes for the requirement planning, the procurement from the supplier and the delivery to the customer can now be accurately controlled.

Due to the consistent work processes and document flows, the Chinese subsidiary was able to improve its ability to provide information to its customers. At the same time, the process costs along the value chain could be reduced, as commission, order and material information is exchanged with head quarters via the SAP ERP and fully supported by the IT.

Financial statements easier to create

Financial and key figures in China are now also mapped exclusively in SAP ERP. KUKA benefits from this several ways: firstly, the Chinese management receives all important financial key figures at one glance and can thus control the business development even more targeted. And secondly, the central controlling in Augsburg can also access the financial data from China and consolidate and use this to generate financial statements quicker and easier. This also means that the management at the headquarters receives prompt insight into the economic development of the Chinese company.

ORBIS consultants with high level of expertise

KUKA Roboter GmbH commissioned ORBIS IT Consulting from Saarbrücken with the SAP rollout in China and also with the consequently necessary optimization of the SAP financial accounting. Thanks to the collaboration, which was marked by partnership and trust, the implementation was successfully completed within the estimated time frame. The fact that



the project was implemented by ORBIS Consulting Shanghai with local Chinese consultants also contributed to the punctual completion.

The local consultants are familiar with the regional conditions in China, especially in terms of financial accounting or data exchange with financial authorities, which is performed via the state-controlled “Golden Tax System”.

Meeting Golden Tax requirements

As direct data transfer between SAP and the fiscal software is difficult, in Shanghai, KUKA makes use of the ORBIS Golden Tax Interface (GTI) as a bi-directional interface. This simplifies the creation of Golden Tax compliant invoices in the fiscal solution. The required data from the SAP system are converted by GTI into a data format which is readable by the Golden Tax System and then transferred to it. In return, the data from the fiscal software can be converted into an SAP compatible data format and loaded to the ERP solution.

Within the framework of the financial statements, the Chinese financial authorities also request certain reports, without which they will not approve the bookkeeping. This includes among other the balance sheet, the profit and loss account or the cash flow report. KUKA can now generate these mandatory reports easily with the ORBIS FI Reporting Package, as they are preconfigured and available in the SAP based “out-of-the-box” solution. At the same time the Chinese KUKA subsidiary can exchange data between the SAP system and the local Chinese banks with the e-banking solution from ORBIS, via pre-defined payment medium formats.

Training in local language

It proved to be particularly advantageous that the consultants from ORBIS Consulting Shanghai trained the Chinese key users in SAP software in their local language and that the required training documents were available in Chinese.

As a result, the introduction could be carried out quickly. The management in both China and Germany were kept up-to-date on the status of the implementation with regular project reporting. Following the successful operational start of the SAP solution in Shanghai, KUKA commissioned ORBIS with the ongoing support of the ERP application. In addition, the consultants of the IT service provider act as a “communication bridge” between Chinese key users and the KUKA IT in Germany.



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