



Software out of the wall socket IT Outsourcing in Medium Sized Companies

Banks do it, insurance companies do it and large trading concerns also do it - they all get their software out of a wall socket. Instead of having their own dedicated IT department, they leave the installation and maintenance of their programmes to experienced service providers - IT outsourcing of software applications or even a complete IT department. Outstanding in this field is the ABAS AG in Karlsruhe, Germany, with their ERP system.

Paper is one of the most important discoveries in the history of mankind. Over the centuries, industry was able to produce better and better paper in all imaginable colors, shapes and qualities. Giant paper making machines, which are in action round the clock, are necessary to meet today's huge demand. Its components - especially the precision rolls for the paper feed - have to be able to withstand extreme loads. Accordingly the requirements on producers of such components are very high. One of the leading producers in this sector is the engineering company MWn with headquarters at Niefern, near Pforzheim. The south-west German long-established company was founded in 1909 and presently employs 60 staff. It supplies the paper industry with generic components in place of branded spare parts. One speciality of MWn is the design and production of suction rolls weighing many tons, which transport the miles long and up to 36 feet wide paper webs during paper production, at the same time extracting humidity from it. CEO Michael Muchenberger says: "The market is extremely competitive. Customers expect, that compared to other large paper making machine producers we can deliver at lower prices but at the same or better quality. And our service definitely has to be superior."

Survival in global competition requires not only design know-how, highly qualified technicians and hard nosed sales men, but also the perfect tools. And that means today: Information technology with fast hardware, perfectly fitting programs and swift service - so that everything runs according to plan. Software which reaches all sectors, from financial accounting to production, is the abas Business Software of the Karlsruhe provider ABAS. The software plays a major part in ensuring the trouble-free run of business operations. The industry-neutral ERP standard software supports all business actions in production planning, warehouse management, finance and administration.

Over 1200 companies worldwide are already using it. Hardware independence, compatibility with various operating systems in addition to numerous interfaces to other applications are the deciding factors for the unproblematic use in small to medium-sized companies in the industry, trade and services sector.



Evolved Partnership

The Karlsruhe software provider and MWn have been a team since 1996. The launch of the software was carefully planned as MWn is a specialist machine engineering organization. Which demanded some fine tuning at the launch of the ERP system. ABAS tendered exactly the right mix: An ERP solution ready made for medium sized production companies, which on the other hand has such a flexible concept that it can be easily adapted to suit the needs of MWn. As significant as the software itself is indeed the service: The excellent teamwork between the provider ABAS and the regional sales partner, system vendor SteinhilberSchwehr, has guaranteed trouble-free operations in the past. That specifically implies qualified advice and fast reaction times. And that, not always self-evident, for far longer than the acquisition period. Security of the investment also plays a major part in choosing the right ERP system: Both players will be dependent on each other for an indefinite time period. Decision making was eased at MWn for good reasons: ABAS has held its ground in the market place for the past 20 years and has continued to further progress its system.



Concentrating on the Core Business

The IT operation, repeat investments in hardware and the high staff costs were a thorn in the side of CEO Muchenberger. Until September 1999 a company staff member was in charge of IT. "The proposal from ABAS and system vendor SteinhilberSchwehr arrived at exactly the right time: The IT man was on permanent overload, software projects already stagnated in the planning stage and a hardware modernization had been long overdue." Especially the global service range for abas ERP let Muchenberger prick up his ears. The tailor made solutions for medium sized business organizations developed ABAS in cooperation with the regional partner company SteinhilberSchwehr: IT outsourcing was the key word, combined with a global service - for a fair fixed price. For the engineering company this means since October 1999 not only "Software from a wallsocket", but also an "All problems solved package": Starting with hard- and software updates, to the break-down service for mutinous printers to data backup. For Muchenberger, the decision was in the end a straight-forward cost calculation: "A cost calculation showed us that it was in any case more cost effective than a further increase in manpower. And that with increased efficiency. Not to mention the hardware investments. The benefits were obvious."



Martin Kunzmann, Head of the Computer Center at the system vendor SteinhilberSchwehr is responsible for the MWN server and software.

Martin Kunzmann, in charge of the computer center at SteinhilberSchwehr, played a decisive role in the realization of the project. He is convinced that "IT outsourcing especially benefits small to medium sized businesses, because the costs for the introduction and the operation of an ERP system can be exactly calculated. Savings in manpower and hardware, at the same time

with a better service, benefit the user. Why should medium sized companies build up capacities which do not fit into their core business?" The IT specialists developed a concept for MWN which allows access to office applications and the internet parallel to the operation of the ERP system.

Converting to the "Pizza Box"

MWN managed the change from ASCII to the graphical user interface of Windows without any upgrading of the existing servers. This was made possible through the conversion of the existing PCs into so-called thin clients, comparable to terminals connected to mainframe computers.

Hard drives and processors of the PCs are no longer relevant in the new function and the disc drives are even blocked up. These terminals, called "pizza boxes", are centrally administered by the SteinhilberSchwehr computer scientists and the users no longer have access to the system configuration. The much-cited "Total Cost of Ownership" is therefore drastically reduced!



Concentrating on the core business is important to MWN CEO Michael Muchenberger: „We are machinists, not IT specialists“.

Convincing

While the cost-benefit analysis confirmed Muchenbergers point of view, some of the users in the company were reluctant about the changes. But their worries were unfounded: The abas partner collected the server on a Saturday and on the following Monday all applications were available as usual and the response times were exactly the same as before. But with a subtle distinction: Computer tasks no longer run in the room next door but in Pforzheim, 7 miles away. And the data lie snug and at the right temperature at the data processing center of SteinhilberSchwehr. If one server fails the next one is ready to take over. A line-up which is certainly safer than the previous situation. All users can (theoretically) work round the clock. Support is available from 7am to 7pm. The advantages convinced: After only a few days the doubters fell silent.

Giving the heave-ho to isolation

CEO Muchenberger does not have to worry about the safety of his IT systems anymore. In his cost calculation the IT expenditure is now a constant, calculable factor. MWN uses the abas Business Software even more intensely than before because all workstations have now been networked and besides installations for accounting and sales more business sectors, like production and design have also been added. From isolated solutions grew, with the help of ABAS, the ERP system abas Business Software and the partner company SteinhilberSchwehr, an intelligent network, which supports all central business processes and has been optimally tailored to fit all MWN operating activities. For the old-established company founded in 1909, the new millennium will, in the area of information technology, start on a very positive note.