



Combination of production and trade

The product range of the KRIEG GmbH & Co. KG covers all requirements of workplaces, such as storage racks, transport equipment and office furniture. When choosing the ERP system it was important that the features of production and trade, as well as mail order trade were represented in the software. The abas Business Software for industry and trade supports KRIEG's business processes through integrated processing of PPC and MRP.

From specialist to handyman

After a part time start, Günther Krieg dared to leap into independence in 1956 to use his knowledge of the sewing industry. He founded a "wholesale with equipment for the sewing industry" along with the already existing production. It all began with working tables, but soon also racks, transport equipment, workbenches, etc. were added. In 1960 the company moved on its first own premises which is still today – after numerous rebuildings and enlargements – KRIEG's head office. Today's main product – a rack construction made out of steel with wooden lay-ins – brings continuous growth. In the meantime, the "gear/tools for the sewing industry" became ""workstations in companies" that are used in almost every industrial sector. KRIEG's current product range covers the complete requirements of workstations in businesses as well as storage racks, transporting equipment and office furniture. About 20, 000 orders of different sizes are annually processed by 75 employees. The family business makes 95% of its turnover in Germany. They deliver supplies for the industry, retail and trade.

Direct selling as the formula for success

From the very beginning, KRIEG products were sold directly. However, a growing clientele as well as a more extensive product range soon required new channels of distribution. In order to not leave the once adopted path, selling via catalog came about. Today's managing director Andreas Krieg says: "Already in 1972 KRIEG was one of the first companies of the sector that, using its complete catalog, had chosen this channel of distribution. Our business proved boldness and vision since as the sales via catalog brought a considerable increase in turnover.

Standstill stands for regression

Changing markets require a constant reconsideration of already existing structures, products and channels of distribution in order to remain competitive. One of the things being questioned at that time was the existing ERP system. Andreas Krieg says, "The unusual thing about our company is the combination of production and trade. Our ERP system was not able to provide us with an integrated solution. Moreover, we had reached a point where our existing IT could not satisfy the requirements of the market anymore. We just couldn't offer the speed that is required if one wants to survive on the market. For this reason, in the middle of 1996, KRIEG decided to find a new integrated IT solution.



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"When we were trying to decide on a software, our main aim was to find an integrated and complete solution. The particularity of combining production and trade, as well as mail order selling were to be covered. In addition, we wanted more flexibility than we used to have in our previous system. From the very beginning the abas Business Software convinced us with its fast and precise solutions, as well as well the consultation service provided by abas partners in Utingen," explains the managing director. "This was the most convincing phase. abas ERP gave more answers to our questions which we didn't get in this form from other systems. Our decision in favor of the abas Business Software was based on the one side on the qualified counselling during the quotation phase, as well as the price/performance ratio. Flexibility was also a decisive factor in this decision making progress.



Because of the clear construction of the software and with help from the 'Flexible Interface' the software could be implemented quickly and easily. The main advantage is that abas ERP adapts itself to our company and not vice versa. 'Can do' – one could describe the system in this way," says Krieg.

Implementation

However, the introduction of the abas Business Software at the KRIEG GmbH & Co. KG was a little bit unusual: financial accounting was replaced in December 1996, production in August 1997, and by the 1st January 1998 sales and distribution and several other areas of operation were changed over to the new system – at first in parallel operation with the old DP system. Before the real operation was started, an organizational analysis in the shape of a target/actual comparison followed by a restructuring of the respective areas was carried out. Individual sequences were programmed as requested by the specialists from abas. The following data transfer from the old into the new system was carried out without any problems. Only the data quality had to be reworked slightly. In order to connect all of the separate rooms within the company a BNC network, which was run in three loops with different skeins up to 200 meters in length, was implemented at the same time.

Fast to learn

At an early stage the employees at KRIEG were instructed in their work areas. Krieg adds, "The bigger part of our employees works intensively with the abas Business Software. Thanks to a lot of self initiative – many employees stayed after hours to go through operation procedures of the demo version - as well as the clear structure and the simple handling of abas ERP only good reviews were made by the staff. The smooth start of the new system was the reason why it was widely accepted by the employees.

Third-party business

Logistics at KRIEG is completely and clearly depicted in abas ERP, all information is taken from the system. Krieg continues, "The abas Business Software has, in addition to flexibility, another advantage that is especially useful in our company: all the other integrated ERP systems either have too little PPC or too little MRP. Only the abas Business Software for industry and trade

is able to support our business processes through integrated processing of PPC and MRP. A part of the KRIEG products are either directly produced in Heimsheim or at a subsidiary in Eastern Germany. The other part is produced by prior vendors and distributed according to the orders directly to the customer. "By using the abas Business Software we are able to react to the constantly changing conditions of contests/market in a flexible and fast way," explains the managing director. Since 1st January, 1999 the subsidiary also uses abas ERP.

Dispatch control

In addition to the third party business KRIEG's main focus is on dispatch control: the decisive criteria is the date. After accepting the order, mostly by telephone, KRIEG has to be able to deliver the more than 3000 products within 48 hours. abas ERP ensures that this is guaranteed. The abas solution automatically plans the future with numbers from the past, determines shortages and carries out the resulting orders, controls order transactions and credits the arrival of goods to the warehouse, therefore it ensures a continuing ability to deliver. Products that are produced by prior vendors are sent directly to the customer, the invoice, however, is exclusively sent by KRIEG. Statistical evaluations play an important role at KRIEG to optimize production and shipping. Particularly lists and evaluations in the area of trade of the company pose an indispensable requirement for strategical decisions and, therefore, a lasting economic success. All the necessary data can be generated via an interface from abas ERP into MS Office and can be depicted in an Excel table. "The market requirements these days could not be met by our old DP system. By using the abas Business Software we are and we will remain able to provide the required speed," summarizes Andreas Krieg.