Successful Integration Between SAP, 3rd Party Logistics Providers, and Legacy Systems

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AGENDA

- Company Overview
- Project Overview
- Integration of Systems
- Reconciliation of Inventory Between Multiple Systems
- SAP WM Functionality
- Business Process Change Management
- Successes
- Lessons Learned
Schwan’s Shared Services, LLC

- Based in Marshall, Minnesota
- Subsidiary of The Schwan Food Company
- Support manufacturing, sales, development, and distribution of frozen foods

Affiliates include:
- Schwan’s Home Service, Inc.
  - Sells frozen food through home delivery services
- Schwan’s Food Service, Inc.
  - Sells frozen food to schools, universities, hospitals, restaurants & c-stores
- Schwan’s Consumer Brands, Inc.
  - Sells frozen food products to retail/grocery stores
- Schwan’s Global Supply Chain, Inc.
  - Manages the 12 manufacturing facilities in the United States
Began implementations in 1994 with MM/PP and FI/CO
Rollout of additional SAP functionality continues today
Current version is SAP ECC 6.0
Active Systems and Modules
BI, BOBJ, BPC, CO, CRM, DWM, FI, GRC Access Control, HR, MM, PLM, PM, Portals, PP, PS, QM, SD, SRM, WM, SPM, HANA Enterprise Edition
Our Brands

- Red Baron
- Big Daddy's
- Minh
- Tony's
- Pagoda Express
- Freschetta
- Edwards
- Mrs. Smith's
- Schwan's
- LiveSmart
- Larry's
- Freschetta To-Go
- Minh Asian2Go
- Holiday Foods
- Bon Appetit

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Project Overview

- **Inbound**
  - Depot
  - 3-5 Shuttle Locations per depot
  - 2-5 Delivery Trucks per Shuttle Location
  - 8-12 Delivery Trucks Domiciled at Depot

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Implement 2-way system communication between Schwan and 3rd Party Logistics Providers using EDI

- 29 locations across the country
- Project ran from October 2010 to July 2012
- Scope changed to use more SAP functionality July 2011
  - SAP Inventory Management
  - SAP WM with 3PLs that couldn’t do EDI – 9 of the 29 locations
- Preorders – Customers (stores) orders
- Truck Orders – Groups of preorders that will be loaded on a specific Truck
- Shuttle Load – Groups of Truck Orders that go and meet specific trucks
- Sample, Donation and Distressed Orders – Sales orders created with SAP that can be loaded onto shuttles
- Replenishment Orders – Inbound orders to locations from distribution centers
- STO’s – Stock Transport orders between locations
Legacy System (SQL) and SAP Integration
- Flat file to send orders from SQL to SAP and send shipments and receipts from SAP to SQL
- .Net webservice from SQL to SAP to validate order status before deletion
- .Net webservice from SQL to SAP to retrieve current inventory for order creation
Inventory Reconciliation between systems

- Inventory snapshots created
  - 3PL inventory & Schwan inventory
  - Triggered by EDI 846
  - Can be daily
  - 3PL inventory by batch code

- BW infoproducer for trending and analysis

- ERP Inventory Reconciliation
  - Evaluate and review discrepancies
  - Post material documents for adjusting inventory
• Selection criteria – thresholds against units / dollars
• ALV grid for flexibility of viewing and evaluating
• Mass ‘Post’ button for Ready to Post → Posted
• Additional comments beyond Reason for Movement
SAP WM Functionality

- Cycle Counting
- Palletized Load/Pick Sheet
- Bin Sequencing
- Outbound Delivery Monitor
- Warehouse Activity Monitor
Change Management Successes

- **2/6/2012**: Overview of new System to BU leaders
- **3/1/2012** - **4/1/2012**: SOP and training material development
- **5/1/2012**
- **6/4/2012**: Review of SOP’s and training materials
- **6/20/2012**: End user Training
- **7/1/2012**: Go-Live begin
- **7/21/2012**
- **7/22/2012**

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Successes

- Upper Management Support
- Implemented when planned
- Integrations were successful
- Palletized Load/Pick sheet use
  - WM Locations
  - Non-WM Locations
- Proactive with pieces for integration delays
- Users prepared for changes
- Inventory Reconciliation
- Security Setup and Testing
Lessons Learned

- Variety of WMS systems at 3PL’s
- Don’t underestimate the time needed for End to End Testing with 3rd parties
- Coordinating of all the testing activities
- Testing at the same time as SOP development
- Information overload for end users
- Have a defined process for support involving external systems
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