

Making modern business possible

When the Italian OEM Arneg needs supplies ordering takes place with the click of a mouse. By connecting directly to Danfoss ordering is automatic, reliable – and fast.

By Peter Stewart, Danfoss A/S

Automatic order processing saves time and provides crucial information to customers instantaneously. In March 2006 the world-spanning Italian OEM Arneg and Danfoss could celebrate the companies' first full SAP XI integration project.

Arneg is among the world's top ten producers of refrigeration cabinets and one of Danfoss Food Retail's largest customers. In a competitive market precision from ordering to shipment is crucial to both companies, and by integrating systems makes the whole process easier.

"We purchase goods from many different suppliers, and it is important to us that ordering is as easy and trouble free as possible. We have various levels and types of integration with our suppliers, but this was our first full integration," says Logistics Director at Arneg Claudio Calgaro.

The project started in October 2005 and the systems were up and running in January 2006. They were monitored daily until March, where Danfoss and Arneg were confident that handling the many hundreds of productions orders a year would be trouble-free.

Translation between systems

Communication between Arneg and Danfoss is made easy with SAP XI, which is a system that translates the customer's ordering information to the language of Danfoss' order systems. Purchasers at Arneg receive order confirmation and relevant information from Danfoss automatically and immediately. It is a much faster method than the previous fax-based method.

"When an order is entered an XML-file is generated and sent via email to Danfoss where it is read and translated by SAP XI and within seconds customers receive order confirmation. Delivery information and invoices are also generated automatically," says IT consultant John Westergaard, Danfoss IT.

Getting the two companies' computer systems to communicate with each other went easy. The XML specifications were sent to Arneg's four-man IT department, who relatively easily ensured that the ordering data was formatted so it could be translated correctly by the SAP XI system at Danfoss.

Paper takes time

Automatic order handling also reduces the time Danfoss spends on processing the order information and reduces the risk of error. Even invoicing is automatic. At Arneg there is no doubt about the value of integration.

"It makes our production planning easier, as we can immediately get an overview of the product availability at Danfoss. This is good because we can provide our customers with delivery information of their cabinets with better precision," says Arneg IT Director Claudio Canepa.

Poul Harder, Danfoss Vice President of Food Retail for Europe, the Middle East and Africa (EMA) agrees:

"Direct business integration is an effective tool for increasing cooperation and efficiency, but also in strengthening our partnerships with our most valuable customers."

So far, only Arneg's main Italian facility has adopted the SAP XI interface with Danfoss, but the success of this project has proved a valuable experience for Arneg.

"We know that integration is the way forward, and the fact that information now flows faster between Danfoss and Arneg we have improved the entire process from ordering components until the finished products arrives at the customer's doorstep. Paper takes time and every hour you can save throughout the process is good, says Mr. Canepa.