

ESCRIBANO MECHANICAL & ENGINEERING TRANSFORMS, IMPROVES WITH S/4HANA INTELLIGENT ENTERPRISE

About our Client

Escritano Mechanical & Engineering is a Spanish company founded in 1987 and headquartered in Madrid. Its mission is manufacturing mechanic and electronic precision components. With a philosophy oriented towards permanent innovation in technology and processes, its products are a point of reference for Aeronautics, Aerospace and Defense.

Escritano implements a differentiation strategy with continuous technological changes and continuous improvement of its performances to become a key-provider.

Executive summary

Escribano is a family-owned company, but the vast majority of the facilities and equipments produced in the last few months has brought considerable growth both in its workforce and in its number of plants.

This development, and the historical company mantra to promote constant professional and personal improvement to achieve success, have been crucial for prompting the company toward a major shift in its internal management: the shift to an advanced, market leading ERP.

After a thorough evaluation of solutions on the market, Escribano found itself in an advantageous position to refresh its business from the ground up, including its core business processes and tools. They chose SAP S/4HANA Enterprise Management, a platform that, in addition to speeding up its internal processes such as Purchasing, Sales, Finance etc..., offers a better real-time visibility of its production process and an integration with other functions.

Through the adoption of the new platform, Escribano aimed to accelerate its logistics and finance processes to drive better business results.



The Challenge

Continuous growth is undoubtedly positive for a company, but every organization experiencing expansion needs to implement and improve its processes and internal communications channels.

In doing so, often times the previous business processes started to unveil all their weaknesses. In the case of Escribano, the main opportunities for improvement identified were:

- ▶ **Improving the integration between a stack of diverse applications** used in production management processes, stock splits, Financial management and control (FI/CO) to reduce inefficiencies and error-prone processes.
- ▶ **Improve materials, customer and supplier master data** to eliminate any potential negative impact on production processes, customer engagement and risks on payments.
- ▶ **Deploy efficient planning of materials** to assure an optimized inventory during production.
- ▶ **A global solution** to support the company's internationalization, accounting for scenarios such as currency management at material variable cost all the way to material cost planning.
- ▶ **Shortening the financial close process.**

Based on the references of its customers and suppliers, Escribano opted for SAP S/4HANA Enterprise Management, SAP's intelligent enterprise ERP solution. With the new solution, Escribano is able to exploit full scalability and flexibility of the platform, enabling them to face the process related challenges of rapid growth with greater certainty, while shifting their focus onto other business opportunities.

The Solution

With the goal of providing maximum value to the company, Techedge kicked off work with Escribano on the implementation of SAP S/4HANA by identifying the initial improvement scenarios.

For instance, **real-time** functionalities of the platform make financial processes more agile and grant higher **visibility** and management of information. **Embedded analytics** facilitate control of all financial and operations data, allowing the company to acquire a detailed view of all business processes from a unique platform. As a consequence of new embedded analytics, there is little time or cost allocated to data validation and consolidation.

The main business areas and processes identified for high value-add improvements include: Purchasing, Administration, Production (engineering

& civil). As a result, the ambitious solution was designed in accordance to SAP best practices.

Escribano approached the implementation of SAP S/4HANA in two phases:

During this first period various corporate modules were adapted to the system: Finance (FI), Controlling (CO), Stock Management (MM), Sales and Distribution (SD) and Warehouse Management (WM). Moreover, a vital interface was developed to manage crucial company ledgers, which allowed Escribano to control all production processes from a single system.

The second phase of the project takes into account the processes related to Plant Maintenance, Project Management, Quality Management and Production.



How the Solution Helped

Escribano has achieved in accelerating all of its processes, and the positive effects of the companies growth have extended to all of its units.

The Finance department has gained operational efficiency and a shortened close process, while the Sales department has increased the quality of performance and the Purchasing team enjoys higher efficiency thanks to better organized tasks management leveraging SAP standard workflows. Moreover, the solution has streamlined the companies product roadmaps and digitalization of maintenance processes has made work easier and more effective for technicians.

The greenfield approach to SAP S/4HANA has enabled our client to re-engineer its processes, restructuring and optimizing them to provide higher efficiency to all the core functions of its business. Leveraging SAP best practices to accelerate and secure its transformation, Escribano has successfully transformed its business in the pursuit of excellence.



Results, ROI and Future Plans

Escribano's new business model will help it to sustain its growth. The company will further expand its organizational model and processes, as well as launch a smart internationalization process based on forecasts provided by SAP S/4HANA analytics functionalities.

Among future plans, Escribano in its continuous growth with evaluate the adoption of further solutions in the areas of documentation and collaboration, human capital management and supplier collaboration.

- ▶ **ACCELERATION OF PRODUCTION PROCESSES**
- ▶ **3X FAST FINANCIAL CLOSE PROCEDURES**
- ▶ **RELIABLE MASTER DATA**
- ▶ **SMART, FAST BUSINESS DECISIONS THANKS TO REAL-TIME INFORMATION**
- ▶ **INTEGRATION OF PRODUCTION, ADMINISTRATION AND PURCHASING DEPARTMENTS**
- ▶ **SCALABILITY FOR INTERNATIONAL GROWTH AND EXPANSION**



ABOUT THE AUTHOR

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Miguel is the Director of Business Consulting at Techedge. With more than 20 years of experience supporting multinational companies of various sectors, Miguel is supporting his customers in navigating their digital transformation through the exploitation of diverse technologies. Miguel combines his broad knowledge on processes and IT architectures to help enterprises a speed up and simplify operations.

At present, his team is working in implementing intelligent enterprise solutions in Finance, Supply Chain, Sales and Manufacturing.



Inspiring Trust. Globally.

At Techedge, our mission is to help organizations evolve into true digital companies through short iterative cycles of business-driven innovation.

We provide business solutions and services that combine business advisory, technology expertise and premium delivery capabilities, with a lean, trust-based approach.

With nearly 1,700 professionals worldwide, we offer our clients the scalability of a global provider, the flexibility of a local partner, and the competence of a strategic, trusted advisor.

See more at: www.techedgegroup.com