

Integrated processes bring medium-sized companies ahead

For the Hermann Kastrup GmbH, the decision to work with an integrated business software repays. Today, the recycling specialist profits from tight working processes and transparent operational information.



An old proverb says that money lies on the streets, you just have to grab it. A motto the Kastrup Recycling GmbH did well with – for more than a hundred years. In 1904, at a time when nobody could foresee anything about the Grünen Punkt (green symbol on packaging which can be recycled by the “Duales System”), the environmental movement or closed recycling cycles, the company, located in Bielefeld, started to collect waste from textile industries: at first in Westphalia and later on, also in Osnabrück, Lower Saxony. In the course of time, the commodity-trading company evolved to a modern recycling company with complex processes. Besides textiles metal, synthetic materials and paper was collected. Today, the Kastrup Recycling is waste disposal partner for industries, trade and communities. “Demands on recycling companies are high. We must keep to environmental requirements, process recyclable materials, organize logistics and distribution”, specifies Meik Fränsing, purchasing-officer at Hermann Kastrup GmbH, the company’s most important tasks.

Only few possibilities for automation

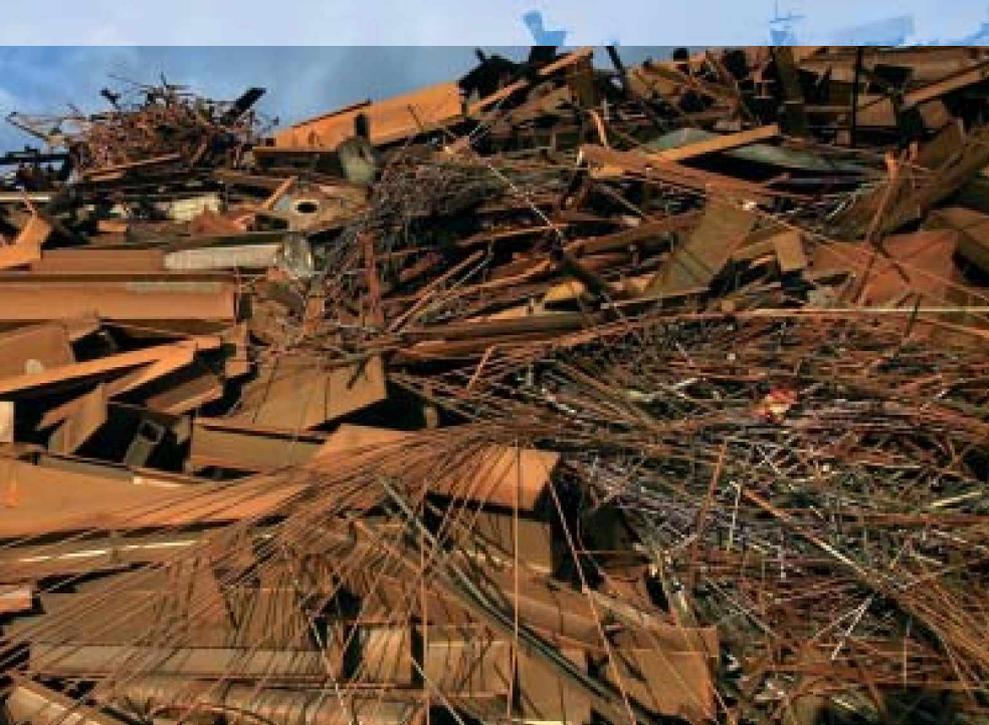
He explains that hardly any recyclable material can be recycled without pre-treatment. For example, scrap metal needs to be sorted or oily emulsions need to be removed from filings in advance. A personnel-intensive never ending task with only very few possibilities for automation. “We have the reputation among our customers to be very expensive. We do have our price, but therefore, the quality of our recyclable materials is excellent”, emphasizes Meik Fränsing. When choosing the new business software, the medium-sized recycling company had similarly high demands.



Careful sounding out of the market

The financial accounting of Kastrup Recycling was previously working with Comet and for their order processing they used an individual software based on UNIX. "We were the only customer in the waste-business branch for our former system vendor. The software maintenance was done just as slow. It was in many areas obsolete", remembers Mr. Fränsing. It is no surprise that the problems summed up in the course of time. For example, input-fields for waste types and waste account numbers of the authorities were missing. Order processing had even managed without a cancellation function. Furthermore, Kastrup Recycling was missing the necessary branch knowledge of their partner, to understand and convert their complex processes. "Therefore, the system stayed dark. To inform our carriers about the received amount of recyclable material, we had to, for example, create time intense manual reports in Excel", remembers Mr. Fränsing. When, above all, in January 2002 the linkage of a digital receipt archives failed, because of missing interfaces, the decision for a system change was made. Kastrup Recycling devoted themselves four months of time to search for the appropriate software. "As a medium-sized company, we have to think twice about every cent we spend on each investment. We cannot afford risky experiments", refers Mr. Fränsing to the restrictive basic conditions of the project. The investment security and the integration of individual company areas were at the top of the wish list. "Whereas SAP was too powerful for us, other companies for only financial-software packages like Sage KHK failed due to the missing branch functions. We would not have solved our interface problems", explains Mr. Fränsing the difficult search for the right partner. Finally, Kastrup Recycling decided to use the branch-solution enwis) of the Microsoft Business Solutions Partner tegos gmbH. It is based on the enterprise resource planning standard software Microsoft Business Solutions-Navision. "Microsoft is a potential partner and enwis) is currently the only integrated solution for medium-sized waste disposal companies that covers all processes from accounting to order processing. Above all, it is very important to us that the implementation costs were not that high", justifies Mr. Fränsing the decision.

The implementation started in August 2002. To keep the costs low and to make future updates easier, Kastrup Recycling oriented themselves to the standard of the branch solution. "95 percent of the processes match ours. For the necessary adjustments, we never crossed the line to where updates become problematic", explains Mr. Fränsing the strategy. One of the few extensions that had to be done in the order processing was to save details from general agreements with customers and vendors. "With this additional transparency, we guarantee that the prices for the entire period remain constant. Furthermore, it is now a lot easier for us, to consider empirical values", emphasizes Meik Fränsing the reason for this adjustment. Other adjustments arose after the implementation. "Our employees had limited freedom of action, because of the few amounts of functions. With Navision, there is more than one way to find a solution. To protect delicate data, we have blocked a few secret paths with help of access rights", Mr. Fränsing points out the security system.



Fast Facts – Project Summary

Company

The recycling company Hermann Kastrup GmbH + Co. KG was founded in 1904 in Bielefeld. Today, the company is waste disposal partner for industries, trade and communities. Recyclable materials are being collected in more than 1,000 containers on the spot. The recycled raw materials are metal, paper, synthetic materials and wood. The average turnover of Kastrup Recycling summed up between 10 and 20 million Euro in the past years. The company has 42 employees.

Problem

Kastrup Recycling was previously working with Comet-financial accounting and an individual software based on UNIX. Because of the time-intensive interface maintenance, the incomplete processes and the lack of data transparency, the company was already considering a system change. When it turned out that the necessary interfaces for the connection of a digital archive under GdpDu was missing, the change was decided.

Solution

The branch-solution enwis) of the Microsoft Business Solutions Partner tegos gmbH was chosen. The business basic configurations come from the ERP-software Microsoft Business Solutions-Navision. Decisive were investment security, fast implementation and the fact that enwis) is currently the only integrated branch-solution for medium-sized waste disposal companies.

Benefit

In course of the implementation, Kastrup Recycling was able to optimize structures and to tighten processes. Today, reports, customer information and calculation parameters are available to the company at call. Due to the high transparency, it was possible to shorten reaction times, to improve customer service and to increase the meaningfulness of the reporting. The common data basis also reduced the amount of paper used.

Technical Summary

Microsoft Business Solutions-Navision At Hermann Kastrup GmbH + Co. KG, 10 workplaces are connected to Microsoft Business Solutions-Navision. For the finance management, the company uses the modules general ledger, fixed assets, receivables, payables, payments, human resources and payroll. Basis for the order processing are the modules purchase, sales, inventory and warehouse management.

It was worth the effort

Meik Fränsing is very satisfied with the course of the project. "We might have had lower license costs with another system. But thanks to the high performance and the modern infrastructure we were able to cut down the service costs to 24 man-days", shows Meik Fränsing the situation in a favorable light. Moreover, due to the complete integration of the working processes, from financial accounting to order processing, an a lot larger rationalization potential could be developed than it would have been possible with other softwares. He also finds words of praise for the implementation partner: "tegos carried out the project within a short period of time. We could also benefit from the branch competence of our partner in regard to business management." Since the software change at the beginning of 2003, a lot has changed for Kastrup Recycling. "For the first time, company areas are working with one software. Instead of drowning in piles of paper, our employees call up reports when they are actually needed. Even business transactions are now electronically delegated", explains Mr. Fränsing the changes. In medium range he hopes to have considerable savings in the amount of paper needed. "For an ecologically oriented company, the thrifty use of office materials should be self-evident", he adds with a wink. Many working processes could considerably be shortened with the implementation of Microsoft Navision. It used to take the company several days to make the monthly vendor invoicing, the process can now be completed in half the time. According to Mr. Fränsing, it is difficult to calculate the profitability of the project: "An ERP-software relieves employees, broadens the basis for information and improves the service for customers and vendors. But still, the software is means to an end. There are too many influences as to be able to comprehensibly calculate the return of investment."

Profitability through cost reduction

Meik Fränsing is modest in regard to the future. The prices on the commodity markets are said to be promising, but you should not leave the entire economic situation in Germany out of consideration. "The producing trade is declining for years. The amount of waste falls accordingly. On the other hand, the number of waste disposal companies is constantly increasing. We're glad to keep our share of the market in the long term", says Mr. Fränsing. Microsoft Navision is part of the rationalization concept to ensure the business profitability despite lower waste amounts. Not least because of this, a continuous expansion of the ERP-software is planned. "The next step is to link the weighbridge to enwis). Our subsidiary in Osnabruck is to be connected in 2004", names Mr. Fränsing the next projects.

Microsoft Windows 2000 Server

The operating system offers integrated security- and communication technologies to Hermann Kastrup GmbH + Co. KG. The planned linkage of the subsidiary in Osnabruck will be made considerably easier by this.

Microsoft Windows 2000

The PC-operating system allows Kastrup Recycling the mobile access to fixed units and a save internet log-in. It contains tools and coding of files and folders and is the basis for an integrated communication via the company network.

Microsoft Office XP

The office package contains the applications Microsoft Word, Microsoft Excel, Microsoft Outlook, Microsoft PowerPoint and Microsoft Publisher. Thanks to Microsoft Outlook, for the first time all employees at Hermann Kastrup GmbH + Co. KG have the possibility to send and receive emails. One function, which is mostly used to delegate work.

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