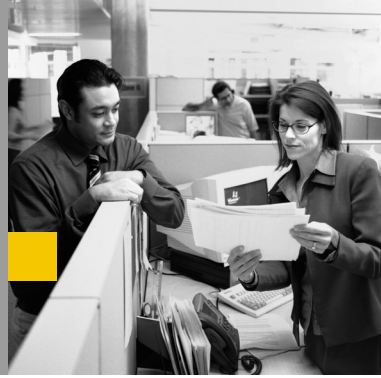


## SAP Customer Success Story Engineering, Construction, and Operations



**“The visibility and timeliness of data that SAP software delivers has allowed us to chop the size of our inventory in half, which accounts for nearly \$2 million a year in savings.”**

Greg Wilson, Senior Vice President and CIO, CentiMark

### AT A GLANCE

#### Summary

CentiMark, a roofing contractor in Canonsburg, Pa., was thinking beyond the needs of the moment when it selected SAP® software to run the business in 1997. That decision is paying large dividends: the SAP system accounts for over US\$2.5 million in direct savings and helps keep all key business processes under control despite the firm's rapid growth.

#### Web Site

[www.centimark.com](http://www.centimark.com)

#### Key Challenges

- Put a platform in place for long-term growth
- Improve management control
- Save costs and improve operational efficiency

#### Project Objectives

- Improve revenue tracking, material management, and project management
- Decrease inventory size and shrinkage rate
- Reduce days sales outstanding (DSO)

#### Solution and Services

mySAP™ ERP solution

#### Why SAP Solution

- Functionality that fully covers the gamut of needs
- Corporate strength and solidity
- Commitment to the future

#### Implementation Highlights

- 7-month implementation effort culminated in complete success
- 3 subsequent upgrades completed smoothly and without disruption

#### Key Benefits

- 50% reduction in inventory
- 5% reduction in shrinkage
- 20% reduction in DSO
- More than US\$2.5 million per year in savings

#### Existing Environment

Accounting software

#### Database

Oracle

#### Hardware

IBM

#### Operating System

Microsoft Windows

## CENTIMARK

### Long-Term Commitment to SAP Pays Off

“Many ERP systems can provide early wins, but consider the value an ERP partner is going to bring you over the next decade or two,” says Greg Wilson, senior vice president and CIO at CentiMark.

The commitment that this Canonsburg, Pa., company made to SAP eight years ago delivered not only the expected early wins, but a big payoff, too – more than US\$2.5 million per year in direct, easily quantifiable savings – a lot faster than Wilson thought possible.

CentiMark is North America's leading commercial and industrial roofing contractor, providing installation and repair services to a variety of customers and using products from all major roofing material manufacturers.

### A Platform for Long-Range Growth

CentiMark has been growing rapidly for many years, from 1,800 employees and US\$200 million in revenues when SAP® software was first installed to today's level of 2,500 employees and more than US\$300 million in revenues. In fact, it was the anticipation of this growth that led the company to SAP in 1997. Until then, CentiMark had no comprehensive enterprise resource planning (ERP) system in place, just simple accounting software that was falling further and further short of the company's needs.

“We surveyed all the major ERP solutions, and SAP's stood out clearly as the best choice,” says Wilson. “We had needs in many areas – sales, distribution, inventory, materials management, finance, accounting, human resources, and service management – and SAP software covered all the required functionality better than any other system. But it was just as important to establish

a platform for long-range growth as it was to meet the needs of the moment, and that's where SAP really shines with its strength, solidity, and commitment to support growth."

**"We expected to win big with SAP over the long haul, and we have. The whole IT industry is a moving target. If a company wants to keep up, it needs an ERP partner that's committed to moving just as fast. By dedicating a massive R & D budget and continually restructuring its solutions to stay current, SAP is setting a pace that's challenging the rest of the industry."**

Greg Wilson, Senior Vice President and CIO, CentiMark

CentiMark made another forward-looking decision by acquiring the SAP license through a company that later merged with others to form itelligence, an SAP partner that provides support and hosting services. After several years of top-quality support from itelligence, including three exceptionally smooth SAP software upgrades, CentiMark decided in 2005 to use the firm's hosting services as well, which is yielding substantial savings on personnel and infrastructure costs.

### **More Than US\$2.5 Million in Direct Savings Is Just the Beginning**

The SAP solution has proven to be just the catalyst for organizational maturity that CentiMark expected, providing management with increased control over a wide variety of business processes.

One of the most dramatic areas of improvement is inventory, a big cost center in the past. Previously, with only manual processes in place, it would have been so labor-intensive to keep inventories down that CentiMark would not have seen any overall cost savings.

"The visibility and timeliness of data that SAP software delivers has allowed us to chop the size of our inventory in half, which accounts for nearly \$2 million a year in savings. And we're

doing it with just two part-time people because of all the automation SAP provides," reports Wilson. "We also reduced unaccounted inventory shrinkage by 5%, which accounts for another \$350,000 in annual savings."

Another cost area for CentiMark in the past was overdue accounts receivable. With the timeliness and quality of information that SAP software provides, days sales outstanding is down by 20%. "That's another \$500,000 per year in savings, and we're doing it with an even smaller staff than before," says Wilson.

Other benefits are equally important though not so easily quantifiable. "Every organization is a collection of processes, and you need control over all of them to control the business as a whole and grow it intelligently," explains Wilson. "That's what the SAP solution has done for us. In finance, for example, we didn't know how profitable a period was until three weeks after it ended. Now we have essentially an up-to-the-moment picture of how we're doing at all times. That means no surprises and far better control of our finances and our growth."

### **With the SAP NetWeaver® Platform Next in Line, Even More Benefits to Come**

CentiMark stands to gain even more from SAP solutions in the future. Encouraged by the effect that SAP's application and technology advantages have had on its relations with all its customers, CentiMark plans to share more data with its customers electronically.

Building on a recent project that integrated SAP software with other systems to support an improved order-to-cash flow, CentiMark plans to perform further integration and expects to acquire the SAP NetWeaver® platform, SAP's application and integration platform, as the foundation.

"We expected to win big with SAP over the long haul, and we have," says Wilson in closing. "The whole IT industry is a moving target. If a company wants to keep up, it needs an ERP partner that's committed to moving just as fast. By dedicating a massive R & D budget and continually restructuring its solutions to stay current, SAP is setting a pace that's challenging the rest of the industry. We're more competitive as a company because we rely on SAP, and we're going to continue that way for a long time into the future."