

NIBCO Seals the Leak in SAP Budget to Stay Ahead of the Competition



NIBCO®

Client Profile: NIBCO is a leading manufacturer of valves, fittings, piping systems, and a variety of flow-control solutions. The company's portfolio of plumbing products contains more than 36,000 SKUs. NIBCO serves a global clientele, with customers in residential, commercial, and industrial markets. Founded in 1904, five generations of family leadership and employee ownership have defined the company's continual evolution.

Industry: Manufacturing

Geography: Headquartered in Elkhart, Indiana with 13 manufacturing plants and 9 distribution centers throughout the United States and globally.

Supported Products/Applications: Integrated Application Management Services and Support for SAP systems

"We've been able to invest in NIBCO's future and acquisition strategy by redirecting funds to growth initiatives, acquisitions, and new product development."

— Jeff Miller, Director, Business Relationship Management, NIBCO

For more than a century, NIBCO has developed flow-control products for every type of construction project. The company boasts tens of thousands of different creations, from the world's lightest copper fitting in 1937 to the invention of a laser-welded, high-performance ball valve that is the most advanced commercial offering of its kind today.

The company's mantra — to stay "ahead of the flow" — has helped shape its impressive product catalog and leading position in a very crowded, competitive market segment. However, in the wake of COVID-19, uncertainty and fluctuating demand in the construction industry have resulted in unprecedented challenges.

As the company has rapidly adapted to the effects of the global pandemic, pressure has mounted on Director of Business Relationship Management Jeff Miller to keep costs low while continuing to deliver revenue-generating systems enhancements. Despite the gravity of the world's situation, Miller and his team have expertly navigated the rapid shift to an almost entirely virtual work environment — and have continued to onboard NIBCO's pipeline of acquisitions — all while maintaining uninterrupted operations across the entire company.

Keeping Invention Flowing

Miller's strategy has focused on maximizing value from NIBCO's existing infrastructure, an endeavor that has uncovered opportunities to invest in compelling improvements even while cost containment has remained a key business imperative.

Miller described, "We've found that by utilizing a single-source managed services and support vendor to oversee SAP, we can redirect monies into optimizing business processes and leveraging our customizations to their full potential. We've simplified workflows and automated processes so that the rest of the business can work more efficiently on growth initiatives, acquisitions, and new product development."

Using SAP as a core for further development, NIBCO is able to invest in ways to deliver an enhanced digital experience to customers via mobile apps and to bring more artificial intelligence, machine learning, and automation into the company — key elements of its Industry 4.0 push. In fact, NIBCO has been successful in introducing new sales analytics, more digital business to business connections, and demand forecasting using AI.

Benefits

- Started by reallocating resources from SAP updates to directly address pressing business needs:**

Prioritizing strategic enhancements over vendor-dictated upgrade schedule ensures information services can stay ahead of demand from internal stakeholders

- Optimized processes and workflows to improve cash flow:**

Reduced manual processing by 424 hours per year. Improved cash flow, material tracking, and customer relations through increased EDI 810 and 856 throughput.

- Completed 500 hours of enhancement work on SAP platform:**

Collaborating with Rimini Street SAP expert engineers to scale capacity and productivity enabled creation of new benefit plans for NIBCO associates.

"Rimini Street has helped us to maximize the lifespan of our SAP system and to avoid unnecessarily spending money on upgrades. We've been able to redirect those funds into acquisitions and developing new products. We're now spending money on growing NIBCO, not just keeping the lights on."

Jeff Miller
Director,
Business Relationship Management,
NIBCO

For More Information

To learn more about NIBCO or to read other client success stories, visit www.riministreet.com/clients.

The switch to a third-party support with integrated Application Management Services for SAP has enabled comprehensive coverage of NIBCO's extensive SAP customizations, modifications the ERP application's creator did not support. The company also benefits from having access to in-depth expertise to assist with numerous technical refinements required to optimize the SAP platform.

Plugging the leak

SAP has been a central feature of the company's business relationship management strategy since the 1990s, when NIBCO became the first U.S.-based organization to implement the ERP application. Miller recounted, "Previously, we were running five major applications and over 60 different databases; SAP offered us a single platform that could be updated in real time with all the information stakeholders might need."

The introduction of SAP transformed the IT department into an information services organization. A team of systems analysts was onboarded to adapt the ERP system to NIBCO's business processes and ensure the company stayed on the most current release.

Miller reflected, "We were constantly upgrading, time after time — all the way to the point of replacing Oracle with S/4HANA Finance — before we paused and realized that the new versions had stopped delivering any business value for us. We eventually reached the point where the only things the upgrades gave NIBCO were a larger bill and time away from focusing on true business enhancements."

Demand from business units for more automation and system improvements quickly began to outpace the information services team's capacity to deliver. Determined to derive value more strategically from the ERP system, NIBCO dropped SAP support and partnered with Rimini Street.

Rimini Street Application Management Services: The Optimal Fit

What started as an agreement for help with software support and tax, legal, and regulatory issues quickly expanded. NIBCO added a Rimini Street Application Management Services (AMS) subscription to support key operational tasks and assist in highly specialized areas, such as finance, HR, and electronic data interchange (EDI).

Beginning with the initial onboarding, the Rimini Street team has dedicated time to understand NIBCO's business processes and closely align with its staff. The direct working relationship between the two teams has helped ensure that NIBCO receives maximum value from the partnership — reducing issue backlogs with an average case closure of 86% since the partnership began.

But to be real — like all vendors — the relationship has had a few challenges. Miller reveals, "... Rimini Street is not perfect, but they are committed to delivering real value to NIBCO, and that's what they've done."

He concluded: "Rimini Street has helped us to maximize the lifespan of our SAP system and to avoid unnecessarily spending money on upgrades. We've been able to redirect those funds into acquisitions and developing new products. We're now spending money on growing NIBCO, not just keeping the lights on."