

## Satisfied customers print money

### Efficient processes make customers happy

The Koenig & Bauer Group (KBA) is one of the largest press manufacturers in the world and has the broadest range of presses in the industry. The group consists of seven companies with locations throughout Germany, Austria and the USA. In addition KBA has sales and service outlets in the UK, France and Singapore plus a global network of sales agents.

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The origins of the company date back to 1814, when a double version of Koenig's cylinder printing press prints was manufactured for The Times in London, which through this, became the first newspaper in history to be printed on a steam-driven machine. Friedrich Koenig and Andreas Bauer established the "Schnellpressenfabrik Koenig & Bauer" located in a secularized monastery in Oberzell, near Würzburg (Germany), taking on the mammoth task of setting up an industrial production line some twenty five years before the industrial age reached Germany. Over time the company grew steadily and expanded to new locations. After World War II, Koenig & Bauer had to start all over again, as their main locations were completely destroyed. In the years to follow, the company was successfully rebuilt and went public in 1985, while reaching a turnover of €100 million in the same year. Today the core companies in the group employ some 7,400 people and have an annual turnover of more than €1.2 billion.

In 2001 the Koenig & Bauer Group acquired Giori, a company that in 1952 specialized in developing the highest quality printing machines to produce the most secure banknotes. The new company, KBA-Giori remains focused on the core activity of serving and protecting the global security print market by offering a full range of services, systems and machines to economically produce more secure banknotes and security documents. Today, 90% of all banknotes in use throughout the world are printed on presses made by KBA-Giori.

### Efficiency and Quality

Nevertheless, Koenig & Bauer was facing two main potential threats. Companies with such a high market penetration and success sometimes become inefficient over a long period of time, due to a lack of competition. As a result, competitors with more streamlined processes enter the market, produce at a much lower rate and thus put some pressure on the more establish supplier. KBA's customers are very demanding, expecting the quality of the products to remain at the highest possible level and not tolerating failure. Reliability in respect of the printing machines and customer service plays an important role, therefore the company needed to be trimmed to become very responsive in order to satisfy customer demand in as little time as possible.

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### Key Benefits

- Human input errors have been eliminated
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- Cycle times have been reduced from 2-3 weeks to hours
- Inefficient processes have been improved while being automated
- Greater visibility into processes allow for constant review and improvement

KBA works hard at maintaining and extending the high standards of service and machinery that have made the company second to none in the printing of banknotes and security documents. The philosophy is to always set top quality standards and incorporate the most modern technology. Therefore research and development efforts continuously explore new technologies and enable them to help their customers meet the ever changing needs in security printing. Having a proven track record of products operating perfectly for over 30 years of continuous operation, demonstrates landmark in quality, sturdiness and longevity.

This enables nations around the world to guarantee the integrity of their currency and security documents and to protect them as symbols of national pride and identity.

Quality and reliability of the machines are well covered through KBA's research and development department. However the business processes within the organization left room for improvement. Besides automating the key processes, the company also wanted to be able to constantly review and improve them so as to continually discover potential for optimization. In addition, the processes needed to be streamlined so that the responsiveness to customers would be improved. As a result, KBA decided to introduce a Business Process Management platform to model, automate, manage and optimize their key processes.

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After evaluating the market leaders in the BPM field, KBA chose the Ultimus BPM Suite as their business process platform for a variety of reasons. The product provides the most complete solution for business process management in the market and was ideally suited for the automation of KBA's processes. The Ultimus BPM Suite's various modules support the users in every phase of the business process life cycle; from discovery, modeling and optimization through development, integration and implementation to usage, management and measurement of business processes. The measured data and reports generated then allow for even greater process optimization. KBA also needed a solution that would tie the different locations in Austria, Germany and Switzerland together over the Internet. The Ultimus BPM Suite, as completely web based solution, not only enabled employees to take part in the process over the Internet, but also facilitated the design of processes remotely, while at the same time, meeting the KBA's strict security requirements.

The chosen BPM solution needed to be capable of integrating with KBA's existing IT environment. Accordingly, the Ultimus BPM Suite provided a number of out of the box interfaces that enabled easy and seamless integration into the existing IT infrastructure. In addition, the advanced integration tools of the Ultimus BPM Suite allowed for the integration to be completed with minimal effort.

**“One of the main reasons for deciding on the Ultimus BPM Suite was the easy to use interface for process modeling and development”**

Finally, one of the main reasons for deciding on the Ultimus BPM Suite was the easy to use interface for process modeling and development, as well as for end user participation, process measurement and report generation. The software has hundreds of built in features that allow process design without the need for programming or scripting, thus enabling rapid process development and deployment.

#### **KBA Inquiry**

Ultimus selected CentreCon, one of the top Ultimus partners in Germany, to carry out process consultancy and development for KBA. After identifying possible processes for implementation, the team decided on automating the KBA Inquiry, a spare part request process, because it was one of the most delicate and most relevant processes to customer satisfaction. CentreCon worked on the project from the kick off phase right through the implementation and up to the initial operation.



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KBA Giori used to start off an inquiry for parts, assembly or technical analysis to KBA Würzburg by fax. If the machine hadn't been produced in Würzburg, the request was forwarded to KBA Mödling by fax or e-mail. The respective production site would then provide a quotation. This simple process however, had a number of drawbacks. Any communication between the different sites had to go through KBA Würzburg, even if the press had been produced in Mödling. Therefore routes could become very complicated and bottlenecks were inevitable. Communication through fax was extremely time, and paper, consuming. After the quotation for the spare parts finally reached KBA Giori, they had to ask the transportation company for a quotation for transport as well as for insurance and added it to the existing quotation. When all of the parts were listed in the quotation, employees at KBA Giori would often have to enter up to 1,000 parts from the fax to their host system by hand and send out the quotation to the customer.

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The process discovery took place in KBA nMödling with all members of the process team. During this phase, all required fields were identified, the process flow was laid out and the role of each step was defined. Then all possible routes were discussed along with the technology used within the process and required for the data exchange with the host system. In the implementation phase, customer and machine parts databases were centrally installed and the process was developed by CentreCon. After going through intensive testing, the process was deployed to the appropriate users.

Now all inquiries are generated by KBA Giori. Depending on the request, the process decides who will be the recipient of the next step. Besides defining the completion and extension time by choosing the priority of the request, all mandatory fields are clearly identified as needing to be completed before submitting the process to the next step. All the important information is then automatically transferred to the host system.

**“Cycle times of the processes have been reduced from a couple of weeks to hours”**

Through introducing groups to most of the steps, the process is made very flexible and can be handled with the minimum of delays. The system also assists the process participants by pre populating the forms with information on the customers, the machines and the prices for spare parts. In addition, the process is automatically routed to the appropriate person and plausibility checks are carried out on the forms to eliminate human error and help employees accomplish their tasks. Signature controls guarantee the legitimacy of quotations and approvals. The benefits of the automated process are highly visible. Transparency has been improved immensely and all the process participants can track the real time status at any given time. Quality has been improved, as human errors have been eliminated and the system allows continuous optimization. Above all, cycle times have been dramatically reduced. Through completion and extension time limitations, tasks have to be accomplished within a given time period. The automatic form completion helps employees to finish their tasks in the minimum of time. Transferring the data automatically into the host system not only speeds up the process, but also improves the added value chain, as unproductive work is eliminated.

The cycle times of the processes have been reduced from a couple of weeks to hours. This allowed Koenig & Bauer to become very responsive and extend their competitive advantage. Also the quality of the quotes could be improved, as human errors within the quotes were eliminated, as was the double entry into the host system. Because the process is very transparent, users are kept up to date on the status and approvals can be tracked back anytime. These improvements are expected to result in a return on investment within one year. However, most importantly, customer service has been improved, as quotes now are with the customer in one day.

The process will be further automated, allowing the quotation request to be started automatically out of the Baan system. Also, all quotes will be automatically transferred to a document management system and stored for easy retrieval.

Additional processes will be automated to realize higher efficiency, speed up processes and further improve customer satisfaction. In teaming up with CentreCon, Koenig & Bauer will rapidly move their corporate processes to the electronic environment, integrating the platform into the corporate IT infrastructure.



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## About Ultimus

A pioneer in Business Process Management and workflow automation, Ultimus is a profitable, global software company that enables enterprises worldwide to increase their profits by modeling, automating, managing, and optimizing every business process. Ultimus has business operations and sales offices throughout North America, Europe, Asia, South America and the Middle East. Through these offices and a network of more than 100 partners in 61 countries, more than 1,200 customers, including Siemens, Sony, Microsoft, Newell Rubbermaid, and HP Indigo have deployed the Ultimus BPM Suite to address their business process management challenges. Ultimus and its partners use the Ultimus Business Process Development Methodology to standardize implementations, accelerate deployments, and enable continuous improvement

KBA – a global leader in newspaper presses for all the current printing processes, configurations and performance classes, and for directory offset presses. The picture shows the printing of the "Frankfurter Allgemeine Zeitung" on a Koenig & Bauer press, one of the largest German newspapers. All the contents of this case study are protected by Copyright Laws and International Trade Agreements. Copyright © 2004 Ultimus, GmbH - All rights reserved.

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