

# Cooper Standard plans for growth with **move to SAP S/4HANA**

**Brownfield approach provides the foundation to move into different markets and adopt new business models**



Cooper Standard is a leading global supplier of systems and components for the automotive industry. Headquartered in Northville, Michigan, it manufactures a range of products including sealing systems, fuel and brake delivery, and fluid-transfer systems. With more than 24,000 employees globally, it operates plants in 21 countries around the world.

Boasting more than 50 years of automotive excellence and innovation, Cooper Standard has grown via acquisitions around the globe and is looking to expand its business into new markets.

“Cooper Standard was built on collaboration, innovation, and acceleration,” says Soma Venkat, Global Vice President of Information Technology, Cooper Standard. “We supply systems and components to the majority of automotive OEMs, so we are a core part of the industry. But we are also transforming into a material-science company and are taking our products into other industries.”

Cooper Standard has moved into adjacent and non-automotive markets to find new customers. The goal is to take advantage of its existing technology and find new opportunities in areas such as aerospace, building materials, and consumer goods.

**“This is a very sensible approach for manufacturing companies and it really helps the business. The risks are lower and there is less interruption to the business and, at the same time, it allows you to take advantage of a higher level of technology. We adopt now and optimize later because we have the technical foundation to do that.”**

**Soma Venkat**

Global Vice President of Information Technology  
**Cooper Standard**



## Planning the move to SAP S/4HANA

Cooper Standard started accelerating its journey to a single instance of SAP ECC in 2016 when it began working with Capgemini on the conversion. A single instance of SAP would standardize business processes and centralize data around the world.

The original goal was to finish the ECC journey and then migrate to the SAP S/4HANA platform. But after moving 74 sites to the single instance of SAP, it was a hard sell to get the business to do yet another ERP implementation. It would be a major disruption to the business.

With only 20 percent of the plants left to convert, the decision was made to complete a brownfield approach to moving to SAP S/4HANA. This meant the company could use existing business processes without worrying about a huge change-management exercise, all while getting the benefits of SAP S/4HANA.

“In 2019, we decided to move everything to SAP S/4HANA by a ground-scale migration and then eliminate what we were not using,” explains Venkat. “We recognized that we could do more with SAP S/4HANA and we didn’t want to wait. And it lets us better leverage the investment we have in SAP.”

This migration to SAP S/4HANA was completed without re-implementation or disruption to existing business processes.

“Our SAP S/4HANA plan allowed us to manage the change appropriately,” explains Venkat. “It also means we will be able to get some basic benefits right away, such as speed, reporting, analytics, and more. This is an important step in our digital-transformation plans to be cloud-first, mobile first.”

## A global rollout in 10 months

Cooper Standard and Capgemini already had a highly successful factory model to implement ECC that had significantly increased the speed of the rollout across different time zones and languages. Cooper Standard wanted to take this discipline – complete the project on time and on budget with no disruptions to the customer – and apply it to the SAP S/4HANA migration.

Building on its existing process with Capgemini, Cooper Standard moved to SAP S/4HANA 1809 for its 74 sites globally in 12 languages with 5,240 users running more than four million transactions daily. This included migrating hardware, moving to the cloud, transferring a five-terabyte database, transferring 6,000 custom objects, and integrating 35 systems. The entire process took 10 months; the final step was a 115-hour cutover as the systems were migrated from on-premises to the cloud.

“We decided on a minimum change management with no disruptions,” says Venkat. “We didn’t need to do everything at the same time. We have some Fiori apps but we did not perform a complete change to Fiori. The second stage will focus on the people who will be most affected and work to get them online. For example, there is a planned implementation in Mexico for predictive maintenance. We used to have a custom app but now it will be a Fiori app and be tied into the system.”

“We are going to target the areas where we get the maximum benefit, such as production planning and detail scheduling, as well as demand management. It will allow us to get a much better look at the automotive parts level from third parties. This is an important step in our digital transformation plans to be cloud-first and mobile-first.”

## Managing during a pandemic

The worldwide pandemic created another layer of complication to the plan. As a global company, Cooper Standard initially felt the impacts as early as January 2020 when its facilities in China were locked down. Other locations were impacted as coronavirus spread.

“It was a different and unique time. When you are running a global program and countries are being impacted at different times, it provides additional challenges,” says Venkat. “First, we needed to keep our employees safe. We also wanted to move forward with regular testing and user acceptance, but we did not have people available for user acceptance.”

Most of the activities could be managed in work-from-home situations but some tasks, such as printing labels, could only be done by people in a facility. Cooper Standard leveraged other locations to print, scan, and send labels electronically to ensure they were acceptable. And as other countries were affected, plants coming back online took over user-acceptance testing.

“I think the success of a project can be measured by how you handle the obstacles,” explains Venkat. “It is about how you convert and make it work for you. The issues needed to have a global solution and we found it.”

Cooper Standard went live on Easter weekend when most of its plants were already shutdown for the holiday. For a manufacturing company, being offline for so many hours is unnerving. But rather than allow the disruption to derail plans, it leveraged the COVID-19 slowdown situation to roll out globally. The result was a smooth transition with only three weeks of extra care post go-live.

“It is easy to take the route of doing nothing,” explains Venkat. “We had the perfect excuse not to go live but resilience is important. We, as leaders, needed to take the step and say let’s march on. We took the opportunity and leveraged it and now we have a foundation stone for the next decade or more.”

 *Capgemini is very flexible for our business. Business conditions are constantly changing. Automotive is a cyclical market. I need to have a partner that is flexible, understands my business, and comes to the table with solutions that can be maximized. They bring us new innovations and new processes that work for our company.”*

**Soma Venkat**

Global Vice President of Information Technology  
Cooper Standard

## Leveraging SAP S/4HANA opportunities

The power of SAP technology and some creative thinking from Capgemini meant Cooper Standard had the ability to shift strategy in the middle of a global rollout and move to a better technology foundation to grow the business and explore new business models.

The SAP S/4HANA platform provides a great toolset built on top of the engine and its cross-industrial strengths support moving into new markets. “The decision to move to SAP S/4HANA now rather than waiting means we can improve processes incrementally instead of doing a significant change-management project,” he says. “It is setting us up for success to move into adjacent markets, change business models, and continue to innovate.”

That bold approach turned out to be the right call. “I think there are many companies having the same debate we did about whether to finish the ECC roll-out or bring in SAP S/4HANA,” says Venkat. “But we found that we were not leveraging our resources to the best of our ability and the needs from the business were always increasing for us. We had a significant backlog that we needed to solve.

“Working with SAP and Capgemini, we used creative methods to fit SAP S/4HANA into a brownfield upgrade and then continue our journey and finish our plans. It really gave us the best path forward. My advice is to go ahead and take that journey.”



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