SMART Railway: Keeping business operations on the right track with real-time insights and modern cloud apps

SMART
RAILWAY TECHNOLOGY

Empowering employees with self-service features in SAP

SMART Railway Technology GmbH is one of the world's largest manufacturers of auxiliary power converters for the railway industry. When the company needed to stand up completely new business applications after a demerger, it worked directly with SAP to streamline its processes and run its new, leaner operations on SAP S/4HANA Cloud, public edition.

Industry	Region	Company Size
Industrial Manufacturing	Kassel, Germany	165 employees

100%	**6x**	**100%**
Staff productivity with 3-day onboarding and intuitive apps	Faster innovation with continuously new features	Improved collaboration and better efficiency with data sharing

"Thanks to the clear structure, great search features, and task inbox in SAP, all employees can easily find what they need to get their jobs done efficiently. This means we can fully focus on delivering the best solutions for our customers."

Tanja Schmidt
SAP Process Manager, SMART Railway Technology GmbH

Powering the rapid transformation of an entire business

SMART Railway's high-quality solutions are used in more than 10,000 rail carriages across the globe. The innovative power electronics technology is an essential component for any rolling stock to support a wide array of safety and comfort features, such as air conditioning.

When SMART Railway was acquired by Dinghan Group, the company needed to move its business operations to a new platform fast — within just 17 weeks and without any in-house IT staff.

The company's products are highly regarded in the industry for their high reliability and robustness: when other systems fail in extreme weather conditions, trains that are using solutions from SMART Railway continue to roll without issues. To power the very core of its business, SMART Railway looked for business applications that would offer the same quality, performance, and overall outstanding customer experience as its own products.

"We were faced with huge change — from being a division of a large group to running our own medium-sized business independently. We looked for an easy, plug-and-play solution to deliver simple, lean processes across all departments."

Tanja Schmidt
SAP Process Manager, SMART Railway Technology GmbH

Delivering quick results with SAP

To align its new, independent operations with established best practices, SMART Railway joined forces with SAP Cloud Success Services to implement SAP S/4HANA Cloud, public edition.

Together, SMART Railway and SAP developed an ambitious roadmap to ensure continuous and smooth workflows from day one. The team made some radical decisions, such as limiting data migration to a minimum, to get the solution ready in time and within budget.

Focused on future-proofing the business, SMART Railway and SAP leveraged the standard software package with its proven processes to slim down historic workflows across all departments, including sales and distribution, purchasing, finance, accounting, production, logistics, and service management.

Since SMART Railway started out with no IT staff, the company very much appreciates that it can run its business on SAP in the cloud without having to build up a large IT team.

"Looking back, the time pressure was probably a blessing because it forced us to simplify our internal workflows substantially. At every turn throughout the implementation, we were expertly guided through our business transformation by SAP."

Tanja Schmidt
SAP Process Manager, SMART Railway Technology GmbH

Improving collaboration with shared real-time insights

Using SAP S/4HANA Cloud, public edition, SMART Railway has now been continuously optimizing and automating its business processes for more than five years. The company benefits from new features delivered automatically in regular release cycles twice a year. Working closely with experienced SAP consultants, SMART Railway can quickly take advantage of new functionality to maximize the business value of the cloud solution. Short and agile implementation projects lead to a tremendously accelerated time to value compared with other solutions and operations models.

Today, staff at all levels at SMART Railway have real-time access to vital business information, helping the company as a whole to become substantially more efficient.

Tanja Schmidt, SAP Process Manager at SMART Railway, elaborates: "Thanks to the intuitive usability of SAP S/4HANA Cloud, public edition, production team leaders now review production planning data directly, without having to ask for help from office staff. The intuitive user experience helped us increase transparency during project development. Project engineers see parts lists with prices, enabling them to optimize the solution, improving economics, profitability, and customer service. Executive managers no longer need to wait for manually compiled spreadsheet reports and presentations, they just open the management dashboard in SAP S/4HANA Cloud, public edition to see all relevant key performance metrics. And because managers looking at real-time data, they see everything instantly. Revenue reports are never outdated, and they can drill down into data flexibly to gain new insights and boost business performance with truly data-driven decision-making."

The modern look and feel of the SAP Fiori apps helps new staff become productive much more quickly. "This is especially beneficial for new employees, who are now 100% productive within just three days. In the past, it would take weeks of training and detailed documentation to onboard new staff properly," says Tanja Schmidt.

Team meetings have also become much easier. "Previously, different departments often used different spreadsheets and when discussing projects, everyone had different figures from different dates based on different reports," explains Tanja Schmidt. "Now we all share the same business data, making collaboration across departments such as sales, development, and controlling significantly more effective. We can fully focus on delivering the best solutions for our customers."

SMART Railway has also started moving data and processes to SAP S/4HANA Cloud, public edition that were previously handled in external systems. This helps the company to avoid manually synchronizing information across applications while also making compliance reporting much easier. "Integrating serial number tracking of our products into to SAP S/4HANA Cloud, public edition was an important step for us," says Tanja Schmidt. "Now, we no longer rely on an aging, custom-developed application for that crucial compliance task. As we're also tracking changes to parts lists in SAP, we now have an audit-proof record of all components and changes over time, which speeds up customer audits and improves our customer service."

A highlight for SMART Railway was SAP's relentless customer focus. As part of the implementation, SMART Railway was actively involved in proposing and evaluating new features. The SAP team presented mockups of future improvements and SMART Railway provided input to optimize the UX of the cloud apps.

"We can innovate faster with SAP S/4HANA Cloud, public edition because we get to use new features 6x quicker than before. Instead of one complex update every three years, we take advantage of UX improvements and new capabilities every six months."

Tanja Schmidt
SAP Process Manager, SMART Railway Technology GmbH

Leveraging new capabilities to accelerate slow, manual tasks

Next, SMART Railway is planning to optimize its warehouse management to get a better overview of available stocks and speed up manufacturing and logistics processes.

Key goals are to improve the accuracy of its records across 30 storage locations and to move to a continuous inventory approach. The company is currently implementing the SAP Extended Warehouse Management application which, combined with scanner technology, is expected to increase warehouse efficiency by 25%. It will also help SMART Railway to find materials much faster, reduce error rates and manual correction bookings, and eliminate the need to completely close its warehouses for three days every year to count all items.

Thanks to the regular release of new features in SAP S/4HANA Cloud, public edition, the company is now also looking into modernizing its maintenance and service job management.

Furthermore, SMART Railway Technology GmbH wants to enhance its digital invoice workflows and integrate them closer with its partners and customers.

Tanja Schmidt concludes: "We're looking forward to innovating and using more advanced warehouse management features. By moving to automated scanners to identify and track parts, we're expecting to speed up warehouse processes by 25% and improve the accuracy of our data."