



Runs like oil

Reference Customer

The Avista Mineralöl-Gruppe operates the largest used oil refinery in Europe in Uetze near Hannover. The group collects, cleans and recycles used oil to motor- or industrial oil. Their 320 Employees made an annual turnover of 60 million Euro.

Problem

The group used to work with an obsolete, heterogeneous system-environment. Entering data twice was unavoidable and the management was missing an insight into business processes. High updating costs gave cause to change the system.

Solution

The Avista Mineralöl-Gruppe decided to work with Microsoft Navision. Special functions for the waste management are added by the branch-solution enwis). The costs for changing the system were half as high as the expenditures for updating the existing application.

Profit

The Avista Mineralöl-Gruppe profits from the integration of the new business software. The length of a run for the order processing and production considerably went down. Furthermore, the group is ready for the electronic transfer note and the digital archive.

“Our order volume increased by 20 % in the recent past. We can manage the additional work without new employees.”

Mr. Lutz Burgdorf, Head of IT department, Avista Mineralöl-Gruppe,

Avista Mineralöl-Gruppe collects used oil, brake fluid or lubricating materials from more than 50,000 companies nationwide. The dirty substances are recycled in the company's own refinery. To comply with legal and operational requirements, the company used to work with SAP, the waste disposal solution CANDIS and the laboratory-software Labbase. Because of high updating costs and insufficient interaction of the applications, Avista switched to enwis), the integrated branch-solution for the waste disposal business based on Microsoft Navision. The costs for the complete solution amounted to only half of the due charges for updating the existing application.





"We greatly reduced our error rate with Navision." Mr. Lutz Burgdorf, Head of IT department, Avista Mineralöl-Gruppe

There is hardly any recyclable material that can be better recycled than used oil. Approximately 98 % are preserved after refining. "Used oil is nothing but mineral oil that has become dirty by engine rub-down or diesel residue. The chemical composition doesn't change during use", reveals Mr. Lutz Burgdorf, Head of the IT department at Avista Mineralöl GmbH the secret. The refining, however, is costly. The refinery of Avista Mineralöl-Gruppe processes about 230,000 tons used oil a year in a multistage method. An amount that is not so easy to obtain on the market. 50 % are collected by the sister company Karo AS Umweltschutz GmbH with its 80 plants in Germany and Luxembourg. The refinery buys the second half from local trading groups. The approximately 50,000 used oil suppliers couldn't be any more different. "We collect used oil from large groups like Daimler-Chrysler as well as from garages or farms", describes Mr. Lutz Burgdorf their target group. Customers are specialist wholesale dealers or food discount stores. The 320 employees of the Avista-Gruppe made an annual turnover of 60 million Euro. With an upward tendency.

Software change cheaper than updating

In view of the organization, the Avista Mineralöl-Gruppe is a real challenge. Conservation, vehicles dispatching, production processes, commercial administration – all have highly different requests on the EDP. This is why, up to now, the company had several applications. "We used to work with SAP in the commercial sector, whereas for the supply- and disposal sector we used the special software CANDIS", remembers Mr. Lutz Burgdorf. The third software was the laboratory-software Labbase, with which the company managed their laboratory results. Despite the program variety, some business areas like production were left out. Just as problematic was the missing integration of the individual applications.

"We were able to transfer our turnover from CANDIS to SAP-general ledger, but in the other direction our sales representatives, however, had no insight into the open positions", finds the IT Head fault with the missing transparency at that time. The temporary uncertain future of the group hindered the set up of well-ordered structures. In the idea of the parent company RWE, the refinery is not part of the core business areas. That is why it was on the top of their selling list. The system environment was simply maintained. There was no budget for updates or further developments. "By the second half of 2003 our systems were hopelessly obsolete. SAP even cancelled our service contract", recalls Mr. Lutz Burgdorf. The new owner, the Mustard-Gruppe, was working with the business standard software Microsoft Navision. With this, the future line of the IT was decided.

At the end of 2003, the Avista Gruppe met the Microsoft-Partner tegos at the trade fair Entsorga. The system vendor located in Dortmund is represented on the marked with enwis), a branch-solution for waste management based on Microsoft Navision. "The complete integration of all program areas convinced us. Even our laboratory and production could be integrated into the complete system. Therefore, we were able to make one solution out of three. Furthermore, implementing enwis) only cost us half of what we would have needed to pay for updating the existing system", explains Head of IT Mr. Burgdorf the decision in the summer of 2004.

Make one out of three

In August, the project team set an ambitious aim for implementing the software: Until the new year 2005, the entire group should work with enwis) and Microsoft Navision.

Microsoft Navision

About 100 users currently work with Microsoft Navision. The Avista Mineralöl-Gruppe uses the following program-modules: general ledger, cost accounting, sales and receivables, purchase and payables, payroll as well as production planning and -control. Special functions for the waste management come from the branch-solution enwis) of the Microsoft-Partner tegos. There are interfaces to the ZEDAL-system for transmitting electronic transfer notes, to time management Xtime and shortly also to the document management system Easy Archiv. The company's telephone system is also connected to Microsoft Navision.

Microsoft Office 2003

The Avista Mineralöl-Gruppe works with a management-information-system by tegos b.i. GmbH located in Rosenheim based on Microsoft Excel. With this system, data from Microsoft Navision are processed with help of a Microsoft SQL server and are made available as compressed operating figures. Microsoft Word as word processing software is used for correspondence.

Microsoft Windows Server 2003

The Avista Mineralöl-Gruppe values the easy handling of the Microsoft Windows Server. Relevant experience with Windows is enough to operate the server. Because of the user friendliness, the company exclusively relies on Microsoft products. The Microsoft Windows Server stands out due to reliability, low maintenance and high performance.

Microsoft Windows XP

According to the Avista Mineralöl-Gruppe, the advantages of the operating system Windows XP are the high circulation. New employees know structures and functions. They can adapt to new tasks and applications fast.



Before they got down to the nitty-gritty, the company's specific requirements were defined in a joint workshop. "In regard to the waste management, our processes were hardly different from other companies. We can work with the standard very well. Sometimes, for example for cash collection, the processes in enwis) were definitely better", gives Mr. Lutz Burgdorf an insight into the strategy. Small adjustments were merely necessary in the production. After all, they had to start from scrap here, because this area was managed completely without EDP-support. One of the difficulties at the beginning was, for example, the interaction between order processing and production. Normally, Microsoft Navision creates an individual production order out of each line of an order. Since at the Avista Mineralöl-Gruppe the orders oftentimes consist of several hundred lines, it was at first difficult for the production to combine the multitude of orders to clear units.

"Today, Navision supports planning the production with its own production suggestions. The sequence can easily be changed with use of the mouse", underlines Mr. Burgdorf the software's efficiency. The company also made progress with introducing barcode-labels. The barcode-scanner supports the employees of the production, when combining the necessary substances. If a wrong component is debited, Microsoft Navision gives out a warning. "This way we greatly reduced our error rate", says Head of the IT Mr. Burgdorf pleased. The investment also paid off for the merchandise management. Up to then, his colleagues had to manage approximately 1,600 storage places manually. "The use of barcode-scanners for taking goods out of store and re-storing reduced the labor expenditures from five to one and a half days for stocktaking", adds Mr. Lutz Burgdorf.

Further Information

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Develop rationalization potentials

The greatest rationalization effects could, however, be made in the order processing. Previously, each company of the Avista Mineralöl-Gruppe maintained their own customer records. Today, however, they have a central address index. "We supply many companies with mineral oil, for which we also recycle used oil. The standardized data management gives us an insight into the entire business for the first time", emphasizes Mr. Lutz Burgdorf. When entering orders, functions making entering data easier provide for an efficient processing. For example, the products choice is automatically limited to those last purchased. Many input fields, like for example contact person or payment terms, are automatically entered by Microsoft Navision according to the saved contracts. "Our order volume increased by 20 % in the recent past. The additional work could be managed without new employees. Because Navision automatically adds the most important contract information, we can work with semi-skilled workers. This reduces our labor costs", refers Head of the IT Mr. Burgdorf to hidden saving potentials. He expects a similarly great effect from the electronic transfer note, which will replace shipping documents in the near future: "Depending on the amount, we currently have to carry different documents with up to six copies. The electronic transfer note standardizes the process and limits bureaucracy."

Profitable investment

To change the system was from the beginning profitable for the Avista Mineralöl-Gruppe. "Thanks to the integration, we are able to enter data right where they arise. This way, they are faster available to our employees. At the same time, records are no longer entered twice. For the refinery, the working process from delivery of used oil up to invoicing was shortened by four days. Furthermore, we were able to replace confusing individual invoices by combined invoices", says Mr. Lutz Burgdorf enthusiastically. Besides, the management is a lot better informed about the business development. The Head of the IT department just as well values the cooperation with the implementation partner tegos: "We only had one contact person for all project matters. This was positive for the course of the project. tegos was and always is available to us." Until fall 2005, Microsoft Navision is to be added by an electronic archive. Furthermore, the company plans the introduction of a graphic truck-dispatchment.

Software and Services

- Microsoft Navision
- tegos Branch-solution enwis)
- Microsoft Exchange Server 2000
- Microsoft SQL Server 2000
- Microsoft Office 2003
- Microsoft Visio 2003
- Microsoft Project 2003
- Microsoft Windows XP
- Microsoft Windows Server 2003

Hardware

The Avista Mineralöl-Gruppe has 140 PC-workplaces, of which approximately 10 % are notebooks. Core of the IT-environment are twelve servers, which control the company's data exchange as applications-, Email- or file server. The company's records are permanently copied on a second server. A tape streamer takes on the daily backup. The sales branches in Bochum and Nurnberg access Microsoft Navision through a Windows Terminal Server. The connection runs via a secured virtual private network.

Microsoft Partner

tegos gmbh dortmund