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After implementing SAP S/4HANA® in a major digital transformation, Danfoss A/S wanted to monitor employee indirect spend and improve related services with applications that would integrate smoothly into the new landscape. SAP® Ariba® and SAP Concur® solutions were obvious choices – and in fact exceeded initial expectations. Now, end-to-end processes for procurement and travel and expense management are **automating repetitive chores** and leaving employees plenty of time for more strategic tasks.



## Managing Both Indirect and Direct Employee Spend

### Before: Challenges and Opportunities

- Grow into a highly efficient intelligent enterprise
- Keep employees productive during rapid expansion and change
- Increase visibility into indirect spend processes

### Why SAP

- Deep understanding of the industrial machinery and components industry
- SAP HANA® platform for real-time transactional and analytical processing
- Integration of procurement and expense management with core enterprise functions

### After: Value-Driven Results

- Accelerate enterprise processes across all functions to better serve stakeholders
- Foster infrastructure agility and stakeholder collaboration to support innovation
- Keep the supply chain healthy and encourage environmentally friendly choices
- Institute a catalog to streamline employee ordering of items for daily tasks
- Simplify travel booking and expense reporting
- Empower managers with mobile apps to approve requisitions and reimbursements
- Pave the way toward managing direct and indirect spend



“Danfoss needed to **standardize disparate ERP systems** across 72 factories and implement services for indirect spend control across 100 countries.”

Michal Szlezak, Indirect Procurement Manager, Eastern European Region, Danfoss A/S

# 19

Separate ERP systems  
Danfoss integrated with  
SAP S/4HANA

# 45%

Of procurement-related  
processes automated with  
SAP Ariba solutions



# Choosing Leading ERP to Build a **World-Class Business**

With its tagline, “Engineering tomorrow,” Danfoss A/S is known for its top strategic priorities of efficiency and innovation. People recognize the company name primarily for the thermostatic valves on radiators and other home heating appliances. But Danfoss also manufactures and markets cooling solutions, power mechanisms for hydraulic systems, and drives for variable-speed motors.

## **Replace siloed ERP environments**

As a consequence of the company’s highly diversified business, Danfoss headquarters inherited several disparate systems in the back offices of various factories and sales centers across the globe. Today, Danfoss is determined to become

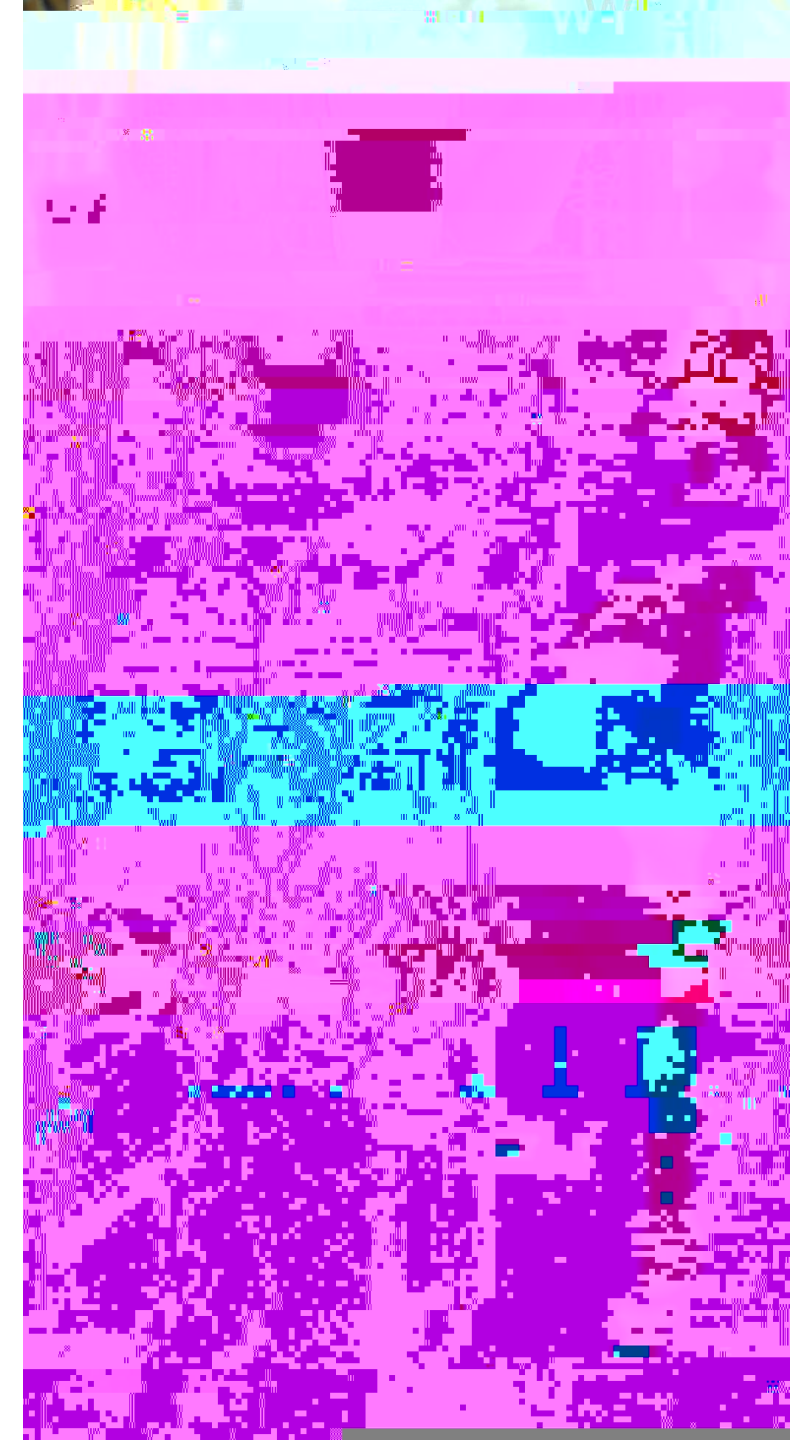
a world-class intelligent enterprise, with its first objective to integrate all ERP systems to increase efficiency and scalability and reduce upkeep costs. And after careful evaluation, leaders chose to implement SAP S/4HANA® to kick-start a full digital transformation.

## **Narrow the focus to the employee base**

The next challenges Danfoss wanted to address concerned suboptimal procurement and expense management processes that were slow and cumbersome for employees to use. SAP® Ariba® and SAP Concur® solutions were ideal choices because of their convenient fit as complementary elements into the new SAP S/4HANA–based environment.

“SAP is our software provider of choice because of its **unparalleled ability to integrate all core processes** to produce a single version of the truth across the business.”

Michal Szlezak, Indirect Procurement Manager, Eastern European Region, Danfoss A/S



# Streamline Procurement and Expense Processes for Employees

Danfoss implemented the SAP Ariba Sourcing and SAP Ariba Contracts solutions, as well as the SAP Ariba Buying solution with the guided buying capability from the SAP Ariba Procurement portfolio. The company also chose to implement the Concur Travel & Expense solution to track and manage employee expenses.

## **Tighten procurement processes**

Using SAP Ariba Sourcing, SAP Ariba Buying, and SAP Ariba Contracts, Danfoss streamlined procurement, gained greater visibility over costs, and reduced risk. Automated approval flows, collaboration with suppliers, and targeted spend analysis work to improve vendor and contract management, shrinking costs through intelligent sourcing and procurement.

## **Simplify travel and expense management**

After struggling with ordinary booking systems for corporate travel, Danfoss embraced the intelligent tool for online booking in Concur Travel & Expense. Employees can choose the precise travel arrangements they need





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