



classification
suite®

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SUCCESS STORY
SCHAEFFLER

Tariff & classify 33 million materials? Challenge accepted!

The Schaeffler Group is a globally active automotive and industrial supplier. With precision components and systems for engines, transmissions, and chassis as well as rolling and plain bearing solutions for numerous industrial applications, the Schaeffler Group is already making a decisive contribution today to the “mobility of tomorrow”. In 2018, the technology

company generated sales of around €14.2 billion.

With approx. 92,000 employees, Schaeffler is one of the world's largest family-owned companies and has a global network of production sites, research and development facilities and sales offices at around 170 locations in over 50 countries.

Schaeffler at a glance

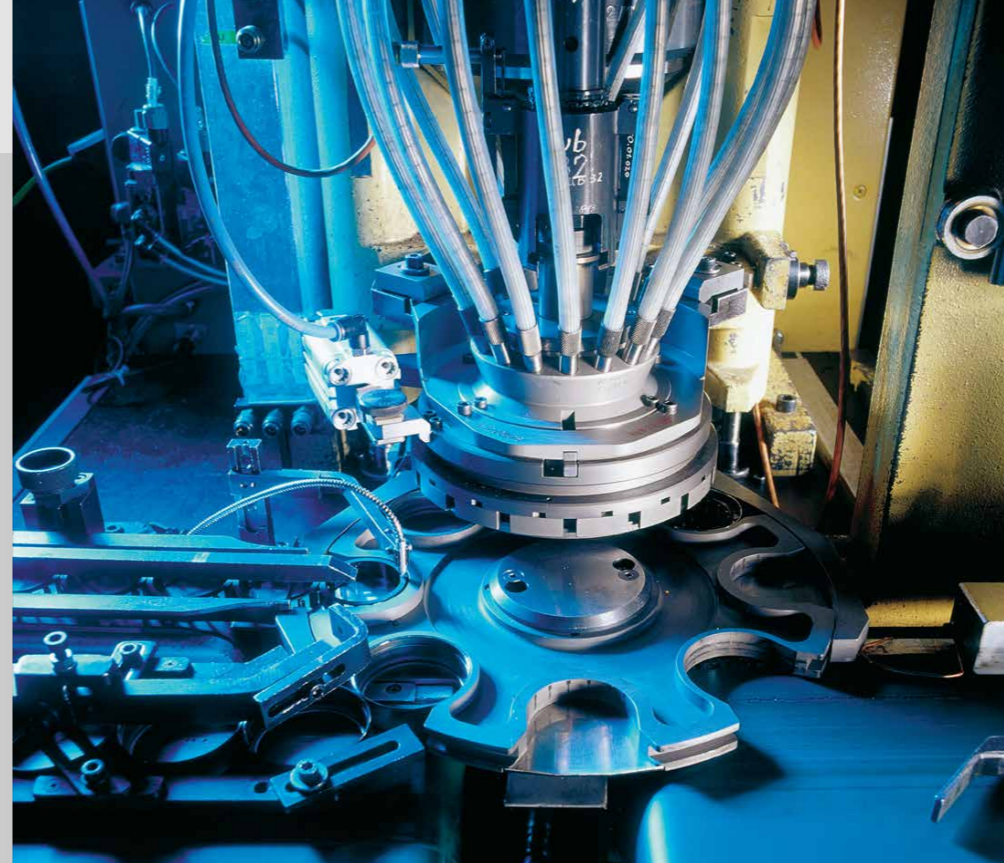
- globally active automotive and industrial supplier
- Developments for the mobility of the future
- approx. 170 sites worldwide
- approx. 92,000 employees
- Sales of around 14.2 billion euros in 2018
- Export share over 50%



Initial Situation

Every day, approximately 6,000 new material masters are created worldwide in the various Schaeffler Group SAP systems. Foreign commercial processing, i.e. customs tariff classification, export control classification and the creation of clear product descriptions in a wide range of languages, is an immense challenge for the group, which now has around 33 million material master records.

In order to be able to continue to guarantee legal certainty and enable a global rollout of a standardised tariff and classification process that can satisfy the increasing requirements of international customs offices, Schaeffler was looking for a technical solution that would simplify, automate and make these processes legally compliant.



AUTOMATISATION
opens up completely new possibilities and optimisations in all processes



ON-TIME & HIGH QUALITY
Software and customer-specific extensions impressed the project participants



SHORT PROJECT DURATION
nine months from technical installation to functional GoLive



REVOLUTION
in the European & entire Asian region

Goals & Requirements

At the start of the project, Schaeffler focused primarily on improving the product description of the materials under customs law. With more precise and transparent descriptions in the worldwide customs declarations, requests from the customs offices and the associated manual processing and delays in the logistics chain should be significantly reduced.

Schaeffler was therefore looking for a solution that could both simplify or automate tariff classification and also generate an individual product description for each product that is understandable to customs.

In order to prevent external interfaces and the release of company data to third parties and also to keep the training requirements for the specialist department as low as possible, a solution needed to be developed for Schaeffler that solves the requirements within the existing SAP environment and incorporates existing data and authorisation concepts.

Special Challenges

The large number of material master records from the various SAP systems presented the specialist department with a particularly difficult task in its daily work.

So as to remain viable here in the future, even with highly dynamic international trade relations, a solution had to be found with which millions of materials could be classified in new legal areas or reviewed for new trade requirements very quickly. An additional challenge is that due to different brand names with different descriptions worldwide, several material master records must be maintained for an article in the SAP systems. These are considered together as a "product family".

However, as these materials are physically the same, the new software solution must ensure that all materials in a product family are always given the same tariff classification worldwide. As a result of the extensive and specialised

task at hand, Schaeffler needed a partner who could develop these requirements into an individual solution.

Why the Classification Suite? Why mformatics?

The previous successful cooperation between Schaeffler and mformatics in other areas of foreign trade with SAP GTS and the associated process knowledge meant that mformatics was considered in the tender for the development of an individual solution. During the subsequent demonstration of the Classification Suite and its capabilities, it quickly became clear that the certified solution could solve a large part of the individual requirements and that the special requests concerning Schaeffler's own product family could be implemented seamlessly in the standard software.

Therefore, choosing the Classification Suite and the joint project was the logical next step.

Introduction and global rollout

After the technical installation of the Classification Suite in the development and test systems and an initial customer-specific customisation, the additional Schaeffler-specific requirements were developed in joint workshops and close cooperation between the specialist department, the internal IT department and mformatics employees. Through open exchange and the highly specialised know-how of the workshop participants, it was possible to efficiently determine not only the global process dependencies, but also to jointly design future solutions and process improvements.

One thing was soon obvious: Master data maintenance automation opens up completely new possibilities and optimisations in all processes that work with this data. Schaeffler's project participants were repeatedly impressed by the on-time delivery and the high quality of the software and customer-specific extensions. The project was completed within nine months, from technical installation to functional GoLive. This is a remarkably short time frame for a globally operating group with over 33 million material master records. As a result of the rapid project progress and the performance and adaptability of the Classification Suite, further projects for

the global rollout of the solution were started during the implementation project.

The Classification Suite therefore today supports employees in Europe in the classification and creation of a self-explanatory customs product description. The solution was also able to revolutionise export control classification in the European and entire Asian region within a very short time period.

At the end of the project, just one Schaeffler employee's question remained unanswered: Why did we not introduce this solution earlier?

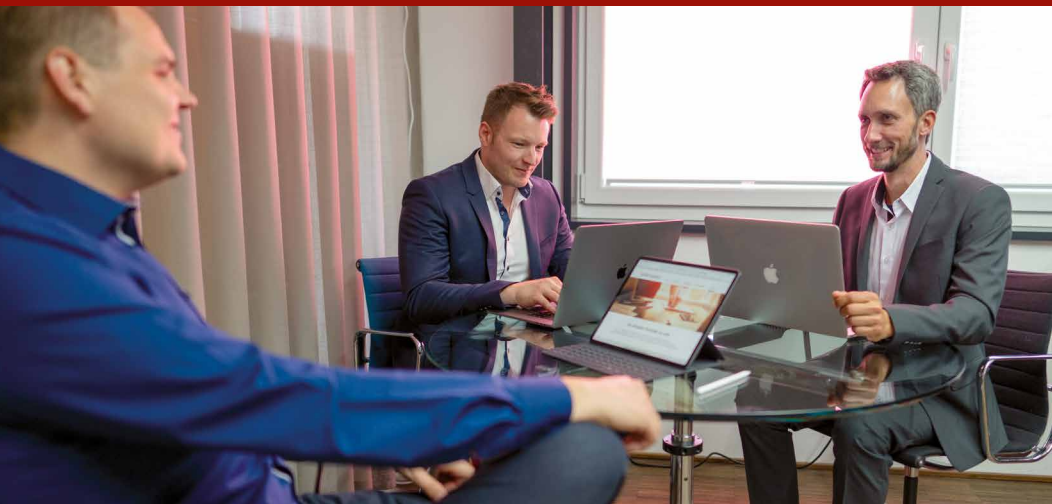


"The Classification Suite impresses with its ease of use and a complete overview of all required data and features. The customs product description and the tariff classification are managed jointly and extensive checks and evaluations can be created easily and conveniently."

Mathias Kraus, Head of Corporate Customs at Schaeffler AG

“The introduction of the Classification Suite has always been shaped by an excellent and solution-oriented cooperation. A comprehensive, holistic solution was implemented, which we will continue to use for many years to come.”

Mathias Kraus, Head of Corporate Customs at Schaeffler AG



Implementation at Schaeffler

- **Presentation of the Classification Suite by mformatics**
- **Installing the Classification Suite at Schaeffler**
- **Development & implementation of customer-specific extensions in the Schaeffler System by mformatics**
- **Identification of relevant characteristics for rule definitions by specialist department**
- **Customisation of the Classification Suite by mformatics**
- **Training of the Customs & Export Control specialist departments**
- **Maintenance and testing of the rules incl. the new product descriptions in the Classification Suite by specialist department**
- **Systematic testing of the 33 million materials present in Cutover with the Classification Suite**
- **Go-Live of the Classification Suite for Customs in Europe and Export Control in Europe & Asia**

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