Cognex transforms its ERP backbone to support growth and expansion

SAP S/4HANA provides the foundation for a long-term IT strategy roadmap

Cognex is the world's leading provider of vision systems, software, sensors, and industrial barcode readers used in manufacturing automation. It helps companies improve product quality, eliminate production errors, lower manufacturing costs, and exceed consumer expectations for high-quality products at affordable prices.

Dedicated to helping manufacturers get smarter, Cognex was experiencing significant growth and wanted to expand its product selection into more solution- and service-package offerings, to create greater value and recurring revenue for customers. Its 20-year-old ERP system was struggling to keep pace with its business development, so the company decided to find a platform that would support its IT roadmap of expansion and future growth.

Finding the right platform

Cognex had not gone through a major IT upgrade in 20 years, so this decision would lead to significant changes for the company. The old ERP system included a handful of smaller applications that needed to be brought into a single system.

"We didn't have the muscle memory in the company," says Doug Curren, Senior Director, Business Applications, Cognex. "We started with a group of really smart and motivated people, but it was like we were a team that had never played this sport before, so we had to learn the sport while we were in the middle of the game."

Cognex selected SAP S/4HANA for its ERP backbone because of its maturity and stability. It would also provide cross-functional integration to connect all areas of the business and consolidate data to deliver more value.

"We made the decision to invest in a world-class platform, but it was step one in a multi-phased project," says Curren. "Having SAP as a foundation means you have a solid bottom floor of the house. You cannot build more floors without that strong base."

> "When we were looking at an SI, we wanted a trusted SAP partner with the right skill set and proven methodology, and Capgemini delivered that. What most impressed me was the transition from project mode to steady-state and stabilization support. It was seamless. Capgemini connected the support team to the project months before Go Live, so our people understood the project and the solution. It meant the business felt no impact in the transition."

Doug Curren
Senior Director,
Business Applications
Cognex

Planning the big move

Cognex chose to work with Capgemini on the integration because of its manufacturing experience, SAP credentials, and existing methodologies. The process began in April 2017 and the implementation went live in July 2018, followed by a three-month stabilization period.

Following the transition, the S/4HANA applications are hosted on Microsoft Azure. Cognex also uses Capgemini Cloud Platform (CCP) as a single cloud-management system to help the company leverage the efficiency and agility of these cloud solutions.

"This gives us the best of both worlds," says Curren. "But the lesson learned is you begin to understand how easy it is to spin up infrastructure in the cloud but also how you need to approach it more cautiously, so you don't go too fast."

Building to future growth and revenue

After a smooth launch, Cognex is seeing the initial benefits of S/4HANA. It is also planning to explore additional features and capabilities as the team becomes more comfortable with the new platform.

"The cross-functional integration is the biggest benefit so far," explains Curren. "It is powerful to see how S/4HANA can show how changing a business process in one area can have an impact in another, because S/4 is so tightly integrated. We realize the more we talk and communicate, the more we are able to gain control earlier in any change."

The consolidation of multiple systems has also delivered more accurate and accessible data. Cognex combined information from multiple spreadsheets and put that into S/4HANA, ensuring a single storage point for this data. Now employees have multiple ways to access information, including standard S/4 reporting and Microsoft Power BI.

"We are a data-driven company, so we are very excited about the opportunities to use the data," says Curren. "We are already seeing more sophisticated conversations across the business and more employees are seeing the potential value this project can bring.

"With a project like this, you have to take the long-play view. We are light years beyond where I expected us to be at this point, and it is exciting to start to build on it and move to the next stage of our IT roadmap."

Technology solutions

- SAP S/4HANA
- Microsoft Azure
- Capgemini Cloud Platform (CCP)
- Microsoft Power BI
- MFGPath

About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion (about $15.6 billion USD at 2018 average rate).

Learn more about us at

www.capgemini.com