

▶ Hexagon Metrology®

“As we deploy SSA Global and IBM systems worldwide, we’re seeing the low total cost of ownership in other regions that we’ve been seeing in North America for years.”

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► building solutions that can grow with your business.

Business Issues

Hexagon Metrology, a leading supplier of precision industrial measurement equipment, needed to upgrade its enterprise software infrastructure to support the company’s transformation into a global company. The company’s existing software infrastructure had been designed for use in North America and was ill-equipped to efficiently handle the multiple currencies, languages and financial requirements of its manufacturing facilities which span four continents.

With long-term plans to continue growing by acquisition, the solution would need to easily install at newly acquired locations worldwide.

Hexagon Metrology chose to standardize on SSA Financial Management (FM) and SSA Global’s next generation enterprise resource planning (ERP) solution, SSA ERP_{LX}. For the hardware component, Hexagon Metrology standardized on the IBM eServer iSeries.

The Company

Hexagon Metrology of Sweden-based Hexagon AB is one of the world’s leading manufacturers of precision dimensional measurement equipment and software, serving automotive companies and other major discrete manufacturers. The company has grown dramatically through the acquisition of leading hardware and software companies in the metrology field and now consists of 10 manufacturing facilities on four continents and more than 40 sales and support locations worldwide.

Hexagon Metrology offers a broad range of products including coordinate measuring machines, advanced metrology software and integrated systems for quality assurance. The company has USD \$400 million in revenue and 2,500 employees.

company -----	Hexagon Metrology
solution -----	SSA® ERP _{LX} , SSA FM
services -----	SSA OnePoint™ Consulting
platform -----	IBM® eServer™ iSeries™
database -----	IBM DB2®
industry -----	Industrial Machinery and Equipment
customer revenue -----	USD \$400M
employees -----	2,500
country -----	USA

What's Critical

To leverage the economies of scale made possible by numerous global acquisitions, it was critical that Hexagon Metrology replace its legacy enterprise software infrastructure.

The company’s ERP platform had been in place for many years and could not support Hexagon Metrology’s worldwide operations. “Our former IT model was very North America centric because the ERP system had been implemented before we had transformed our company into a global operation,” says Gary Padula, IT Director, Hexagon Metrology North America. “We needed to create a new IT infrastructure that could be easily implemented and used by employees throughout the world.”

The new solution would need to support a much different set of requirements than existed when Hexagon Metrology was smaller and its operations more limited. “It was critical that we have a very robust financial management system that could handle multiple currencies, language and local financial requirements and give us streamlined processes for consolidating and analyzing data from all of our operations,” Padula continues.

Finding the Right Solution

Hexagon Metrology evaluated solutions from several competing software companies. The company, a long-time user of SSA Global applications, decided that its best course of action was to retain SSA Global as its strategic IT vendor.

“After reviewing products from other software providers, we decided to implement SSA ERP_{LX} and SSA Financial Management,” Padula says. “The fact that SSA ERP_{LX} and SSA Financial Management are designed to support worldwide operations was an important differentiator. In addition to the rich functionality of its products, SSA Global’s expert services and global reach made it the most cost effective solution for us.”

Padula says the SSA Global strategic alliance with IBM also was a factor in his company’s decision. “We chose the SSA Global software and the IBM hardware because the tight integration between the components gave us a solution that works as a single unit to satisfy our requirements.”

As part of the company’s strategy to minimize IT expenses, Hexagon Metrology chose to use the SSA OnePoint Consulting team for implementations and to assume responsibility for ongoing internal programming.

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► technical and application expertise for faster implementation.

Implementing Fast

According to Padula: “We were pleasantly surprised at the level of technical and application expertise of the SSA OnePoint Consulting team. The efficiency and effectiveness of the SSA Global team was exceptional and helped us achieve a very cost effective implementation.”

To gain early access to the new functionality from SSA Global, Hexagon Metrology took part in an early adopter program for SSA ERP_{LX}, allowing both companies to collaborate more closely during the implementation. This collaboration ensured that Hexagon Metrology fully leveraged the SSA ERP_{LX} functionality and enabled SSA Global to gain important insights on the solution prior to the formal product launch.

Making it Pay

For Hexagon Metrology the cost savings of the combined SSA Global and IBM solution have extended beyond the implementation phase. Padula says, “As we deploy SSA Global and IBM systems worldwide, we’re seeing the low total cost of ownership in other regions that we’ve been seeing in North America for years.”

Padula attributes much of the benefit to the advanced functionality of SSA ERP_{LX} and SSA FM. “The browser interface in SSA ERP_{LX} was a tremendous advancement over the green screen technology that we were using in our former system,” Padula says, adding that another major advantage was the new streamlined order-to-cash process in SSA ERP_{LX}. As for SSA FM, he says the product has a very strong capability to support the currency, language and government compliance requirements it faces worldwide.

Concerning the IBM iSeries, Padula says the reliability, dependability and availability of the platform has contributed significantly to cost savings. “The IBM equipment doesn’t require us to have a lot of internal technical expertise to keep it running, which enables us to deploy more of our internal resources to serving our end users,” says Padula.

“The integration of the SSA Global applications and iSeries has allowed us to adopt a model that enables deployment of the software in a very cost effective manner,” Padula says. “This is reflected in our total IT budget for North America which is less than 1% of revenue.”

Hexagon Metrology sees long-term value in the SSA Global strategy to never sunset a product. “A company like Hexagon Metrology needs the confidence to know that they will not be forced to a new release,” says Padula. “Knowing that SSA Global would not sunset a product that was critical to our operations, allowed us to design a five-year strategic plan without worrying about having to do a premature upgrade.”

Forward Faster™ — Into the Future

“SSA Global has provided quality products to us for a long time and we feel confident that they will continue to provide the same high-quality products in the future,” Padula says. Hexagon Metrology is interested in implementing an SSA Corporate Performance Management solution to help give the company’s senior managers better visibility into day-to-day operations worldwide.

“At Hexagon Metrology, we feel very confident that future SSA Global products will complement the products we currently have,” Padula says. “This will allow us to grow as an organization and take advantage of new capabilities as they become available.”

“We expect that SSA Global will be a long-term partner. They are a financially stable company with a lot of growth potential and we see that as a benefit for us.”

About SSA Global

SSA Global™ (NASDAQ: SSAG) is a leading provider of extended ERP solutions for manufacturing, distribution, retail, services and public organizations worldwide. In addition to core ERP applications, SSA Global offers a full range of integrated extension solutions including corporate performance management, customer relationship management, product lifecycle management, supply chain management and supplier relationship management. Headquartered in Chicago, SSA Global has over 50 locations worldwide and its product offerings are used by approximately 13,000 active customers in over 90 countries. For additional information, visit the SSA Global web site at www.ssaglobal.com.



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