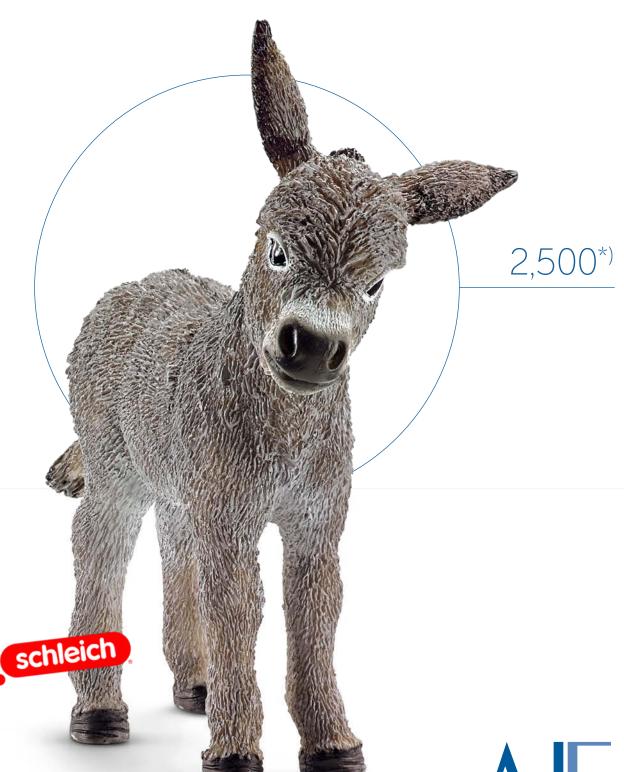
Customer Case Study

Schleich & AdEx Partners





^{*} A total of 2,500 data points are required to fully map the development process of Emil the donkey foal. The management of this master data, a critical bottleneck at the start of the project, is infinitely scalable thanks to Al.





"Many dream of AI, some dare, and we have delivered!"

Transformation of global master data management at Schleich or: What does Emil, the donkey foal, have to do with AI?

Schleich, like the entire toy industry, is constantly confronted with new trends in market and consumer requirements. This is why the company transformed its global master data management - with a completely new approach and innovative technology at its very core. The objective was to speed up the development of new products significantly through automation and improved data quality to meet seasonal market demands. AdEx Partners supported the long-established Swabian company with the introduction of the Microsoft Power Platform and an Al engine for automated master data processing.

Emanuel Fritz presents the "Horse Club" horse transporter from Schleich, one of the company's top sellers. One of the project's objectives was to automate its complex development and increase the data quality along the entire value chain.

What do Emil the donkey and the "Horse Club" Horse Transporter have in common? They are both top sellers from the traditional Swabian toy manufacturer Schleich – developed and manufactured in a sophisticated process. This process comprises countless steps and ranges from the creative preparatory work to the actual production, part of which is also done outside Germany.

To map this process seamlessly, data is needed. Data in different quantities -Emil the donkey foal counts 2,500 data points, the large horse transporter 55,000. This was the challenge for Emanuel Fritz, Director Global IT & Cyber Security at Schleich GmbH. "Schleich has been undergoing a major transformation for several years. Alongside many processes within the company, external circumstances have changed too. The world is turning much faster after the Covid pandemic. Political and economic factors have changed consumer behavior, and the shortage of skilled workers is also forcing us to prioritize. Manual and administrative workloads or complexity in processes had to be reduced quickly."

Emanuel Fritz continues: "These factors had a direct impact on our development process. Master data management was a bottleneck, especially in our seasonal business, which requires us to present our new products with highest accuracy and have them available in stores. We urgently needed a solution to automate the administrative activities in the core processes of our toy development and to ensure the data quality of our products."

Technology as a tool

With AdEx Partners, Emanuel Fritz brought a partner on board who already knew the company from successfully implemented projects in the fields of cloud and SAP transformation. "Thanks to these synergies, we were able to



Emanuel Fritz, Director Global IT Schleich GmbH



"We started with a vertical ramp-up in April 2023, and after just six months we had implemented three successful use cases."

Alexander Schweinberger is Project Manager and Associate Partner at AdEx Partners

build an agile setup from scratch in a very short time," explains Alexander Schweinberger, Project Manager and Associate Partner at AdEx Partners. "We started with a vertical ramp-up in April 2023, and after just six months we had implemented three successful use cases." AdEx Partners supported Schleich with the Microsoft Power Platform and an Al engine to process master data automatically and in high quality via SAP.

The project was broad-based from the very beginning. "We wanted to create a story of transformation, one in which Schleich becomes more agile and efficient by using technology. Our aim was to establish a robust system for master data management that is fully automated and enables us to improve our data processes and increase data quality," summarizes Jonas Amerein, Head of Operational Excellence at Schleich.

This required a mindset shift within the company – moving away from sequential processes towards cross-functional, process-oriented and data-based thinking in a matrix organization. "That was a challenge," Emanuel Fritz points out. "As a traditional company, we are very product-focused. We had to learn to perceive technology as a tool for supporting us with automation and data quality."

Advantages for users predominate

Every new Schleich product is the result of an idea realized through art and craftsmanship. It was particularly important to engage the designers and involve them in the project. "To this end, we put on the user glasses together with AdEx Partners," says Jonas Amerein. "We looked at their requirements and took their needs seriously." The user interface and input process were simplified as much as possible, while keeping the familiar frontend format. This user acceptance was one of the key success factors for the project.

The benefits for the teams involved in the product development process quickly prevailed. Even the use cases showed that automation released valuable resources for direct use back into creative and value-adding processes. Finally, Schleich brings many innovative new products to the market every year. The integration of the Microsoft Power Platform and Al engine for automated master data processing supports this dynamic in the best possible way and opens completely new scaling options.

Emanuel Fritz on the collaboration

"AdEx Partners knows our company from a number of past projects. We didn't have to reinvent the wheel but were able to start and implement immediately. The consultants pursue a holistic and triedand-tested best practice approach, constantly interacting with the teams and with our very different stakeholders in mind. They work as an integral part of the teams and not just "on the project". I appreciate AdEx Partners' hands-on mentality, their active involvement and their strategic end-to-end perspective."

#GenAI #MicrosoftPowerPlatform #AgileDevOps #SAP





"Many dream of AI, some dare to try it, and we've delivered! The real business value only kicks in once we've delivered, and that's exactly what we've done."

Emanuel Fritz is Director Global IT at Schleich GmbH

The impact makes the difference

"Make your mark" – is stated on the Schleich careers page. It means: Leave your personal mark when it comes to actively shaping the company's transformation story. Hands-on, with an entrepreneurial mindset and focused on business impact. For Emanuel Fritz and his team, this is exactly what they aspire to in their work. "Many dream of AI, some dare to try it, and we've delivered! The real business value only kicks in once we've delivered, and that's exactly what we've done."

The project's real contribution to Schleich's transformation is evident on two levels. Firstly, the project goal was achieved: robust and scalable master data management reducing the workload of those involved in the process, supporting sales and marketing and creating measurably more flexibility and agility to scale for markets and trends. Equally important - secondly - is the learning curve for colleagues working with the new system. Mobilization and motivation in the team were high right from the beginning as the benefits quickly stood out. What's more, the digital mindset in the company has matured significantly as a result of the project. That provides a much better starting point for the next steps.

Al as a growth driver

The first steps on this journey have been already taken. The project has turned into a program that now encompasses other areas of the company. But Emanuel Fritz is already thinking ahead. "In the future, we want to continue to use the technology to strengthen our relationships and collaboration with our retail partners, support our marketing and, above all, sales activities with AI and promote employee productivity. Technology has proven its ability, and we are at the forefront of shaping this transformation journey with Al."

This is where Emil the donkey once again comes into the game. He is the sneaky animal that aptly symbolizes the project for Emanuel Fritz. "We didn't choose this data topic. The challenge was there, and we tackled it with AdEx Partners where it was most urgent. It was quite a burden to carry. But we took it on and kept going."

Now as markets continue to set new, fast-moving trends and consumers call for more innovative products related to Emil and the Horse Club horse transporter, Schleich is well positioned. "Scalable, without limits!"

About Schleich

Schleich is one of Germany's largest toy manufacturers and a leading international brand for authentic play figures designed to awaken the joy of storvtelling in children. Friedrich Schleich founded Schleich in 1935 in Schwäbisch Gmünd. Today, the famous figures and sets of the schleich® brand are sold in more than 60 countries and have become a popular toy in children's rooms all over the world, giving free rein to children's imaginations. As a global player with Swabian roots, Schleich now generates over 60 % of its sales outside its core market of Germany. In 2023, Schleich reported a global sales volume of 234 million euros and sold around 35 million animal figures. The company is owned by the Partners Group and the employees of Schleich.

https://www.schleich-s.com







Emanuel Fritz, Schleich GmbH, Alexander Schweinberger, AdEx Partners and Jonas Amerein, Schleich GmbH (from left) with Emil the donkey

About AdEx Partners

As a trusted advisor for digital transformation and IT strategy, AdEx Partners supports leading companies in shaping Europe's digital future. Founded in Hamburg in 2012, AdEx Partners is now established throughout the DACH region. The team of more than 200 consultants with an average of 13 years of industry experience implements customized solutions in its core consulting areas, including ERP, data value management and business transformation. AdEx Partners' services are not limited to strategic issues or project planning; the Trusted Advisors also remain involved during implementation and provide support in making complex transformation programs a success. More than 60% of DAX companies from various sectors, such as pharmaceuticals, healthcare, industry, retail, and financial services, trust this wide-ranging expertise.

AdEx Partners has been recognized as a "Hidden Champion" three times in a row by the business magazine "Capital", has received six "Best of Consulting" awards from WirtschaftsWoche and has held the "Great Place to Work®" seal for many years.

www.adexpartners.com

Contacts

Alexander Schweinberger Associate Partner AdEx Beratungs GmbH

<u>alexander.schweinberger@</u> <u>adexpartners.com</u>

Emanuel Fritz
Director Global IT &
Cyber Security
Schleich GmbH

emanuel.fritz@schleich-s.com