

The Andritz Group's strong growth over the past years has caused new business processes and, in conjunction with this, different IT solutions, to be added practically with each new acquisition. However, this has made the targeted Group-wide integration of Business Areas and utilization of synergies more difficult.

In addition, the global organization of Business Areas requires new ways of thinking and new approaches to allow optimum utilization of the operative efficiencies in internal cooperation. Development of adequate structures to respond to these new requirements necessitates a critical review of the current processes.

This is the focus of professional business process management. Its goal is to redefine competences and to adapt processes to new technologies and to new entrepreneurial situations as well as to check the interfaces between the different companies in the Andritz Group.

MAJOR DEVELOPMENTS IN 2003

In 2003, the focus of activities was on the development of a strategy for consolidation of Andritz's IT system landscape, especially in the area of ERP (Enterprise Resources Planning) systems. The result of the strategy is that Andritz will introduce global business processes in the framework of a global ERP system. This will not be done in one step but over a period lasting several years, during which the major Andritz Group companies will be migrated successively to the new Andritz Group ERP.

In 2004, a global project team will be working on the definition of ERP relevant business processes that are to be implemented into the new Andritz Group ERP in an iterative process right away. It will be an international team composed of representatives of all Business Areas and relevant service departments. This should ensure involvement of at least some of the main representatives of the

essential organizational units from the start of the implementation phase, and provide for a smoother transition phase.

The first part of the global project is termed "Blueprint & Implementation Project," with five core teams defining the relevant processes in the sales/order execution, service, finance/controlling, engineering, and material management areas.

The completion target for this project is the end of the year 2004, enabling the first Andritz sites to use the new ERP system productively already during the first Half of 2005.