

SAP Customer Success Story Rohag Singapore Pte Ltd



"... Our customers want a better product, higher quality and better service but all at the same price. SAP Business One is helping us to meet those expectations..."

–Albert Choo, Finance Manager

Rohag Singapore Pte Ltd

Formed in 1997, Rohag specialises in the manufacture of precision components for the oil and gas industry.

In its early years Rohag grew steadily, but in recent times growth has accelerated, with turnover reaching S\$16.5 million in 2010 – a threefold increase in six years.

The company received Singapore 1000 and SME 500 awards for 2010 and recently moved to its new 50,000 sq ft factory in Tuas; its second such facility.



Motives for Change

But growth and success bring new challenges, especially for a company that has always been committed to staying ahead of its competitors through innovation and superior customer service.

Rohag's business growth soon puts strains on the company's first ERP system – Exact Globe. After some years of trying to maximise the potential of this solution, it was decided that going forward, Exact had too many limitations. The time had come to source something more powerful and sophisticated, a modern ERP system;

"The old system served us well but it lacked the functional depth and flexibility that we needed to take our business forward. We also wanted to build web portals and tightly integrate these with our ERP system. This prompted us to move to a new ERP platform."

AT A GLANCE



Industry

Precision engineering for oil and gas industry

Key Challenges

- Lack of real time information
- Customer delivery dates
- No ability to access through the internet

Project Objectives

- Increase staff productivity
- Meet the service and reporting requirements of customers
- Provide remote accessibility to the system

Solutions & Services

- SAP Business One®
- Inecom Extended Modules; Routing and WIP, Sales Blanket Order, Production Scheduling Reporting Package
- SDK customisations (Barcode data collection for routing process)



AT A GLANCE



Why an SAP Solution?

- Flexible user friendly software
- Easily customised
- Scalable

Key Business Benefits

- Increased revenue
- Reduction in man days required for financial period end and reconciliation
- Accurate informative reports providing up-to-date business information
- Greater employee productivity

Implementation Partner

- Inecom Business Solutions (Singapore)

Previous Environment

- Exact Globe ERP

Inecom Singapore
+65 6225 9255

Inecom India
+91 20 6649 3516/17

Inecom UAE
+ 9714 3699057

Inecom Australia
1800 155 999

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www.inecomworld.com
enquiries@inecomworld.com

Evaluation and Selection

Rohag had the benefit of experience guiding their future choice of an ERP system. They were very aware of what they required from their new system.

"...We needed a solution that was user-friendly and flexible, but also powerful and customisable, with strong manufacturing capabilities. We reviewed a number of different offerings – some were good but SAP Business One had the edge..."

Inecom's strong manufacturing expertise and the enhancements that they had made in SAP Business One, also helped confirm SAP Business One as the preferred solution.

"...Inecom's extended modules; Routing & WIP, Production Scheduling and Shop-floor Data collection were pivotal, they made the entire solution a close match to our requirements..."

Rohag's major customers were another major driving force. Most were running SAP systems, and they actively encouraged Rohag to go ahead with a full ERP system implementation.

Implementation

With industry-wide surveys suggesting that more than half of ERP implementations go over budget and some 40% take much longer to implement than were planned, Rohag's choice of implementation partner was a critical decision.

"...Inecom had a well-defined system implementation methodology, as well as a very strong track record. We are delighted to say that the project came in on time and on schedule and quickly began to deliver real business benefits..."

Rapid Return on Investment

Rohag's SAP Business One system went live in July 2010. Post implementation reviews showed that streamlining their business processes and automating the supply chain on a single integrated system backbone delivered improved enterprise-wide visibility.

"...At any point in time, we can simply type-in a job order number and immediately know the history and status of that job; from sales order entry to the purchasing of raw materials, raw materials receipt, production, delivery and invoice..."

Financially, the company has seen measurable benefits, with manpower productivity increasing by more than 30%;

"...In 2009 we turned over S\$13 million. This year we will reach more than S\$18 million without any increase in headcount..."

Looking Forward

Rohag will soon be moving to the latest version of SAP Business One 8.8. This new release contains many enhancements on previous versions of the software. Of particular interest to Rohag is the mobility integration on iPhones and iPads, which promises even greater productivity benefits.