

SAP Customer Success Story Asia Enterprises Holding Limited



AT A GLANCE



Industry

Distributor of steel products

Key Challenges

- High business growth
- Lack of visibility of inventory and cost data
- Steel processing

Project Objectives

- Real-time traceability of inventory position and movements
- Better costing and process integration
- Greater efficiency in inventory management
- Reduced order cycle times
- Improved customer service
- Better management reporting

Solutions & Services

- SAP Business One®
- Inecom extended production module for steel pipes and rolls



"...SAP Business One® has proven to be a sound investment for us; delivering greater operational efficiencies than we expected..."

– Yvonne Lee, Executive Director

Nominated by Forbes as one of Asia's 200 'Best Under A Billion' companies, Asia Enterprises shows how SAP Business One® has become an integral part of their growth strategy.

With roots that date back to 1961, Asia Enterprises Holding Limited is a major distributor of a wide range of steel products to industrial end-users in Singapore and the Asia-Pacific region.

A successful IPO in September 2005 positioned the Group for even greater growth in the years ahead. But at the same time the key players were quick to see that the Group's growth plans would be challenged by the strains that increased volumes would place on its legacy business systems.



Legacy Limitations

Asia Enterprises' Executive Director, Yvonne Lee and Hee Siew Fong, their Group Financial Controller knew that they needed to take pre-emptive measures.

"...Our business was growing rapidly and we found that the previous IT systems were unable to give us the degree of business control that we needed..."

Operationally, Asia Enterprises' also wanted to achieve tighter control over raw materials purchases, inventory holdings and its steel processing activities.

"...Previously inventory management was largely a manual process, but with over 600 customers, and 1,200 different steel product items, we needed a system that could automate and integrate the procurement and sales processes..."

Other requirements included a robust accounting system with advanced reporting capabilities that would help streamline operational reporting, as well as making SGX compliance an easier process.

"...Our previous system did not have the capabilities to handle our increasingly stringent requirements for inventory control and product costing. As our volumes increased, it was also taking longer for us to complete our monthly closing and reporting cycle, sometimes it extended out two weeks!..."

AT A GLANCE



Why an SAP Solution?

- **Flexible systems architecture**
- **Longevity and stability**

Key Business Benefits

- **Operational efficiencies for process integration**
- **Better control over inventory**
- **Improved inventory turnover and optimised working capital investment**
- **Improved control on the sales cycle**
- **Improved customer satisfaction levels**

Implementation Partner

- **Inecom Business Solutions (Singapore)**

Previous Environment

- **Syspro**

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Selecting the Solution

After considering a number of replacement solutions, Asia Enterprises selected SAP Business One® as its preferred solution because it promised;

- Better operational integration.
- Enterprise-wide visibility on key performance indicators.
- Lower cost of ownership and a faster payback.

"...Steel distribution and the steel processing industries have their own very exacting requirements and complexities, the ability to add user-defined fields that can define multiple product attributes and specifications such as dimension, gauge, diameters and more are a must, as its batch traceability and the ability to handle multiple units of measure..."

Asia Enterprises also reviewed several Singapore-based SAP Business One® partners and selected Inecom as their preferred provider.

"...Inecom had good experience with other companies in our sector and a better grasp of the required business processes, product metrics and analytics..."

Reaping the Benefits

As the new system was rolled-out; integrating each function onto a single enterprise wide systems backbone, Asia Enterprises and its customers quickly began to experience the benefits. Staff could now update, retrieve and manage data in real time.

Managers now had complete visibility of key business performance metrics, as well the ability to drill down to detailed information on customers, sales orders, what products were on order and their expected delivery dates.

As workflows improved, it became far easier to respond to customers' needs and enquiries with quick and accurate quotations.

"...We are very pleased with our SAP Business One® implementation. Inecom delivered a high level of consulting skills and they were also able to extend the standard production modules to meet the specific needs of our steel processing operations..."

Achieving the Objectives

After implementation, Asia Enterprises saw even greater success with Group revenues surging upwards by 41% and net profits soaring by a staggering 78%.

"...There is no doubt that our new SAP system has helped us to control costs and grow our business more profitably..."

Given the Group's financial performance, it is no surprise to learn that Asia Enterprises was nominated by Forbes as being among Asia's 200 'Best under a Billion' companies, in recognition of its consistent profitability and growth over the past three years.

"...SAP Business One and Inecom were significant contributors to this success and has provided a high level of support post implementation..."