

SAP Customer Success Story



Fong Shen Mould & Precision Engineering Pte Ltd

AT A GLANCE



Industry

Precision Engineering for Plastic Mould Tooling

Key Challenges

- **Inaccurate records**
- **Delayed information**
- **Disintegrated data**

Project Objectives

- **Systemise data**
- **Better control of inventory management**
- **Provide ease of access to accurate information**

Solutions & Services

- **SAP Business One®**

“Our business came to a point where it was difficult to manage using manual systems. SAP Business One came in at the right time to solve the issues we were facing.”

– A. K. Tan, Operations Manager

Fong Shen Mould & Precision Engineering Pte Ltd

Fong Shen was founded in 1984 and has since established itself as a leading company in the precision engineering sector, with well over 30 years of experience. The company specialises in tool designing and manufacturing, plastic injection moulding, sub-assembly as well as contract manufacturing.

The company has expanded rapidly over the years, increasing its production floor space to over 20,000 square feet. Fong Shen has been awarded the UKAS Quality System BS EN ISO 9001:2000 and ISO/TS 16949:2002 Certification, in recognition of its high standards in both service and its products.

It is this commitment to high standards that led the company to the search for a new modern ERP system that would enhance efficiency and productivity into the future.

Motives for Change

As with many SMEs, Fong Shen managed its stocks records using Excel and outsourced its bookkeeping and accounting functions to a service provider. However, as the company’s business grew larger in volume, the management soon realised the necessity of a more systematic approach to handle the ever increasing transactions and levels of data. The manual methods previously employed were slow and inaccurate.

“Information was often difficult to obtain and sometimes inaccurate, which resulted in delays and incorrect invoices. Our inventory records were also often outdated. In short, our staff were becoming less productive.”

Evaluation

Fong Shen became certain that it needed a new ERP system to improve efficiency as well as to eliminate errors. The question then became which system was right for them?

“We wanted a system that was user friendly, simple yet sophisticated enough to fit a small-medium enterprise like us, and SAP Business One fulfilled those criteria.”



AT A GLANCE



Why an SAP Solution?

- **User-friendly software**
- **Adaptable**
- **Systematic**

Key Business Benefits

- **Increased revenue**
- **Accurate real time information**
- **Cutback on inventory losses**
- **Full control of data**
- **Improved employee productivity**

Implementation Partner

- **Inecom Business Solutions (Singapore)**

Previous Environment

- **Excel and Manual Method**

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SAP Business One allows users to modify the user interface according to their role; users can simplify the screen to facilitate data entry and better enable the extraction of relevant information. It was the ease at which users could obtain up-to-date accurate information that most impressed Mr. Tan.

Another influencer was the experience Inecom held.

"I went to a seminar held by Inecom. It became clear through the presentation and my discussions after, that Inecom held a great level of experience in our sector. The seminar was very useful."

Soon after, Inecom was invited to do a thorough review of Fong Shen's processes. After conducting this review, it was clear to both parties that a new ERP system, such as SAP Business One, would add significant value.

Implementation

From the start, there were concerns from management over the ability of its staff to cope the organisational changes.

"Almost all of our employees had zero knowledge of SAP Business One, and many had little knowledge of any modern ERP system. However, the training provided by Inecom was of high standard, and by the date of go-live they were confident in using the system."

Being the first SAP Partner in the Asia-Pacific region to be awarded SAP's Active Quality Management (AQM) Accreditation, Inecom ensured Fong Shen's implementation was carried out using the best practices of SAP and utilising Inecom's experience.

"The whole process took about 6 months and was delivered on time and within budget, an aspect that pleased my directors."

Results

Fong Shen's post implementation reviews indicated an improved flow of information and data management.

"For instance, SAP Business One was set up to prevent any MOQ's (Minimum Order Quantity) pricing errors being issued. While I can't quantify the amount this saved the company, it was considerable. Previously there was a lot of unauthorised pricing occurring as a result of a lack of system controls being in place. We also cut back on inventory losses and obsolete stocks."

As with any company, the Profit and Loss Statement is the most accurate indicator of a company's progress. In this area, Fong Shen has seen considerable benefit.

"Revenue growth has been steadily and impressive. This year we hope to achieve 20% growth in revenue. SAP Business One has a large part to play in that growth."