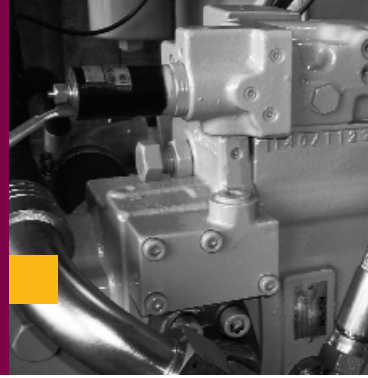


SAP Customer Success Story Industrial Machinery & Components



“SAP Business One allows us to see sales and movement of each product group, and helps us with planning with our principals. This greatly improves our job efficiency since information can now be shared among departments.”

Mr. Laurence Lim, Managing Director, Power & Motion Control Pte Ltd

AT A GLANCE

Company name

- Power & Motion Control Pte Ltd

Website

- www.pmcont.com

Summary

As a growing business, Power & Motion Control Pte Ltd needed a new business software to integrate all its department together so as to gain real-time control and visibility over its operations

Key Challenges

- PMC's legacy financial IT system was could not provide a clear overview of its operations
- Lack of integration across all business units led to inefficiencies and delays
- Unable to check inventory and stock availability

Project Objectives

- Improve information flow by integrating all business units on a centralised business platform
- Information presented must be in real-time and in-depth in order for its staff to make accurate and beneficial decisions
- Improve inventory control

Solutions and Services

SAP Business One

Why SAP Solutions

- User friendly and has a low learning curve
- Flexible enough to address industry-specific needs
- Affordable and enables a faster return of investment

Implementation Highlights

- Implementation was smooth and met all requirements
- Fast user adoption

Key Benefits

- Greater insights to and control of business operations
- Elimination of manual processes
- Ability to track sales, purchase and inventory orders
- Better cash flow management

Implementation Partner

Hitachi Asia Ltd

POWER & MOTION CONTROL PTE LTD

SAP Business One enhances fluidity of business for hydraulic component and systems supplier

Working in the blind was exactly how Mr. Laurence Lim felt when using his legacy business software. Having built a thriving business out of supplying and manufacturing hydraulic components and systems both globally and in Singapore, it was essential for the managing director of Power & Motion Control Pte Ltd (PMC) to know how and what his different departments were doing.

Yet, instead of helping, the old business software was making things more complicated for the Singapore-based company.

“We were groping in the dark. Not knowing the correct information made it very difficult for us to run the business. We only knew what we were doing at the end of the year. We don't have the whole picture, and operating month by month took a lot of guesswork,” adds Mr. Lim.

Since its conception 10 years ago, PMC has experienced rapid growth, starting with just four people to a 24-strong staff. It is actively involved in the supplying of high quality hydraulic components, filtration accessories to help machine builders maintain machine performance at high standards and at a competitive manufacturing cost, even to the extent of designing and building complete hydraulic systems.

“We are in the fluid power business with a broad spectrum of applications covering the agriculture, construction, manufacturing, marine, off-shore/oil & gas, utility and material handling industry. As such, we have a diverse clientele base which includes OEMs, end-users and traders,” explains Mr. Lim.

With PMC’s products exported to the ASEAN countries, including countries such as Africa, India, Sri Lanka and the Middle East, it is critical for the company to ensure business information is smoothly exchanged between departments.

However, a lack of visibility and integration across its business processes were characteristics of PMC’s previous business software. This resulted in slow and tedious decision-making processes.

Legacy Limitations

Although the warehouse was full of finished products and raw materials, PMC constantly faced difficulties in meeting customers’ demands and delivering the goods on time. The company did not have a consolidated view of its goods in production and in the warehouse. Management staff was also unable to make any informed decisions or plan its production efficiently.

Adding to Mr. Lim’s headache was the lack of integration between the sales, inventory, production and finance departments. Each department’s IT system stood alone.

“It can be very frustrating to have to walk around the place looking for something, not knowing whether it is still there or not.

The stock level may be zero, but you don’t know, and you keep looking and looking. And the system doesn’t tell us what we need to know,” says Mr. Lim.

This happened even after switching its financial IT systems three times.

“We didn’t have business-critical information like inventory levels. Without this information, we can’t sell,” he adds.

Staff resorted to manually computing inventory outflows using data from purchase orders through Excel spreadsheets, resulting in unnecessary errors and lag times.

“SAP Business One stood out for us because of its capabilities and ability to integrate our systems from end-to-end. I think it is money well spent.”

Mr. Laurence Lim, Managing Director, Power & Motion Control Pte Ltd

The Switch to SAP

In September 2006, the company put its foot down and decided to implement SAP Business One as part of its strategy to streamline and integrate its sales,

accounting, purchasing and manufacturing operations together.

“SAP Business One stood out because of its capabilities and ability to integrate our systems from end-to-end. I think it is money well spent,” says Mr. Lim.

With enhanced operational efficiency and better visibility of the business, SAP Business One helped the management to improve their decision making.

“The SAP solution allows us to see sales and movement of each product group, and helps us with planning with our principals. This greatly improves our job efficiency since information can now be shared among departments,” says Mr. Lim.

Essentially, this allows management and staff alike to extract information instantly and create reports with ease. For instance, Mr. Lim is now able to obtain details such as cost per sale, production and inventory data in real-time.

“Today, I can call up my sales for the month at any point in time. This will show me the total as well as the gross margin. This bit of information is much needed, so that I know where I’m headed for the month,” he adds.

It also translates to better cash flow management as the system allows better management of accounts receivables.

PMC staff also gave it the thumbs up for the SAP system’s ease of use and low learning curve.

“Hitachi Asia’s help in implementation was invaluable as well. They were ready from the word go, and they have given us very good support even after we went live,” says Mr. Lim.

More Benefits to Come

Even four months after going live, PMC is still discovering new and better uses of SAP Business One.

In fact, the company is looking into exploring the Customer Relationship Management (CRM), opportunities management and sales forecast features to enhance its new-found efficiency and real-time capability.

“SAP will play a big role in our future. With the help of our new SAP solution, we will be in a position to focus and consolidate our strengths and achieve maximum profits from our current operations,” says Mr. Lim.

www.sap.com/contactsap

2007/08

Company's registration no.: 198902722M

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