TAMIMI COMMERCIAL DIVISION

SAP® ERP BRINGS ORDER AMID SURGING GROWTH AND IGNITES PEOPLE'S ENTHUSIASM

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Nawras Al-hamwi, IT Manager, Tamimi Commercial Division

QUICK FACTS

Company
- Name: Tamimi Commercial Division (TCD)
- Headquarters: Al Khobar, Saudi Arabia
- Industry: Automotive
- Products and services: Tires and automotive services, lubricants, batteries, work shoes, and protective equipment
- Revenue: US$135 million
- Employees: 250
- Web site: www.tamimi-commercial.com
- Implementation partners: SAP® Services organization, Satyam Computer Services Ltd. (Hyderabad, India), Fujitsu Ltd. (Tokyo)

Challenges and Opportunities
- Support rapid growth and gain control over processes
- Improve ability to innovate
- Improve business operations

Objectives
- Eliminate outdated legacy software
- Install a single solution to standardize processes and gain governance

SAP Solutions and Services
- SAP ERP application
- SAP Enterprise Support services, part of the SAP Services portfolio of service offerings
- SAP GoingLive™ Check service
- SAP EarlyWatch® Check service

Implementation Highlights
- Met all time and budget targets
- Relied on teamwork and department cooperation
- Created a strong project management plan
- Monitored and controlled all steps

Why SAP
- Best fit for long-term goals and strategies
- Presentations and professionalism of SAP consultants
- Visibility into information for quick identification of issues
- Good reporting tools
- Compatibility with corporate parent's software landscape

Benefits
- Raised operational efficiency and productivity
- Reduced costs
- Improved ability to identify and mitigate risks
- Increased information sharing across business units
- Improved financial management and corporate governance
- Optimized spending on IT

Existing Environment
Legacy system

Third-Party Integration
- Database: Microsoft SQL Server
- Hardware: HP
- Operating system: Microsoft Windows

When growth is surging, processes must be under control. That's the lesson every business must learn as orders increase and it starts to get bigger. And Tamimi Commercial Division (TCD) learned it well, implementing the SAP® ERP application during a growth spurt to ensure better control, introduce visibility, and lay the foundation for even further expansion.

Business was booming at TCD, which supplies tires and automotive services to corporate customers like Saudi Aramco and Saudi Basic Industries Corporation (SABIC) as well as to consumers. The company was having trouble managing inventory and reporting on key metrics. Nawras Al-hamwi, IT manager at TCD – a civil engineer who took an interest in IT and got his degree in computer science – speaks frankly about the situation. "We were so busy we didn't know who was doing what," he says. "Now, with SAP ERP, we have clear policies, standards, and controls. Everything is done through the SAP software."

More than 50 people at TCD use SAP ERP to run the company's processes, from sales quotation through order fulfillment, purchasing, finance, receiving, inventory, and service. They work as warehousing, purchasing, and finance managers; sales staff; showroom and retail service center employees; and HR and payroll administrators.

"With SAP ERP, we raised operational efficiency and productivity and lowered costs," Al-hamwi says. "For example, we increased communication and information sharing across business offices – introducing operational efficiencies so personnel can requisition stock directly within SAP ERP, gain manager approval through the workflow, and get requests fulfilled by warehousing managers. We improved financial management and corporate governance; it is now much easier to identify and mitigate risks. And we optimized our spending on IT."

Al-hamwi says SAP software also ignited the enthusiasm of the TCD workforce. He relates the story of one long-term employee, the service center manager. "He was used to the older legacy system and initially refused to use the SAP software," Al-hamwi says. "After two months of using SAP ERP, this man came into our room and said, 'I admit to you now that the SAP application is better than any other software I have worked with before. It's easier to use than any other product I have ever used. I really like SAP software."

Legacy System Crimps Future

Al Khobar, Saudi Arabia–based TCD replaced its legacy software for a number of reasons. The old software system lacked adequate reporting and inventory management capabilities and support for HR and payroll. The period-end financial closing procedure was cumbersome; it was time consuming to reconcile subsidiary accounts. The older software also required a lot of maintenance, and it was difficult to make business improvements.

That didn't fit with TCD's strategy. "We wanted to implement new policies and reporting tools to better manage our growth," Al-hamwi says. "Our goal was to provide superior service to our customers, get better control over our processes, follow best business practices, and maintain and update data on a real-time basis."

SAP Software Brings Maneuverability

TCD evaluated a number of solutions toward that end. Al-hamwi explains what differentiated the SAP software from the other choices. "SAP ERP was a better fit for our long-term goals and strategies," he says. "The presentations and professionalism of SAP personnel also gave us confidence that it would be better to implement the SAP application. We saw that SAP ERP would help us better manage and maneuver as an organization by having the right information in real time to identify issues earlier. SAP software simplifies reporting, in comparison with other solutions. And our corporate parent, TCD Group, uses SAP software; this makes group consolidation easier."

TCD met all time and budget targets during the rollout, in spite of the fact that it had some struggles with the implementation and cutover.

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SAP Enterprise Support Lowers Total Cost of Ownership

TCD now also depends on SAP Enterprise Support services, part of the SAP Services portfolio of service offerings. In addition to helping accelerate implementations and lowering project costs, SAP Enterprise Support helps companies identify technical risks and optimize potential opportunities.

"I believe that if you want to get knowledge about something, you have to go to the source," Al-hamwi says. "We are very pleased with the quality and response times of SAP Enterprise Support – and with our contact people at the support advisory center."

SAP Enterprise Support helps TCD apply standards to tasks such as monitoring business processes, managing custom development, ensuring remote supportability, and using diagnostic functions. It provides best practices–based guidance for individual tasks, plus recommendations for using the various capabilities and processes in the SAP Solution Manager application management solution.

"SAP Enterprise Support helps us plan and lower downtime, and thereby minimize upgrade costs and risks," Al-hamwi says. "It provides quality management during optimization, as well as protection and enhancement of our IT investment through innovation. The result is lower operational costs and a lower total cost of ownership."

In addition to SAP Enterprise Support, TCD uses the SAP GoingLive™ Check service as well as the SAP EarlyWatch® Check service as part of its strategy to ensure successful implementations and monitor performance afterward.

"SAP ERP enables management to react and adapt quickly to preserve our position in the marketplace."

Nawras Al-hamwi, IT Manager, Tamimi Commercial Division

SAP Software Helps Management Adapt

Although plans are not completely firm yet, TCD is considering an installation of the SAP Customer Relationship Management application. "We have a lot of customers coming to our retail centers," Al-hamwi says. "We would like to collect and maintain more data about these people to strengthen the relationships and provide the basis for marketing campaigns."

TCD also plans to evaluate the SAP BusinessObjects™ portfolio of solutions to build on the advantages it has already gained from SAP ERP. "With SAP ERP, we are able to run reports that we were not able to run before," Al-hamwi says. "This is giving us a competitive edge. We can see things like exact growth in stock and sales. It is much easier to get this information than ever before. SAP ERP enables management to react and adapt quickly to preserve our position in the marketplace."

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