



MKF METAL & PLASTIC INDUSTRIES SDN BHD

SAP IMPLEMENTATION IN MANUFACTURING SECTOR HELPS COMPANY STREAMLINE BUSINESS PERFORMANCE WITH AN EYE FOR THE FUTURE

QUICK FACTS

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Mr. Uwe Ernst Glunz, Managing Director,
MKF Metal & Plastic Industries Sdn Bhd

Summary

MKF Metal & Plastic Industries Sdn Bhd (MKF) appointed Croesus IT Solutions Sdn Bhd (Croesus) to structure and implement a business management system that would enhance its competitiveness by streamlining its business processes to meet its future needs.

Website

www.mkf-online.com

Key Challenges

- Existing accounting system was not able to handle manage the company's manufacturing operations
- Lack of integration across all business operations led to inaccurate re-ordering points on its raw material level
- System was unable to keep provide accurate and timely financial and operational data on it operations

Project Objectives

- Automate the business processes to eliminate human error
- Integrate all business processes into a single entity
- Control and monitor workflow
- Enhance customer satisfaction by improving order fulfilment
- Build a future-proof system that enables company to grow
- Obtain timely and accurate financial data to report on the company's financial health, e.g. Work In Process levels, payables ageing

Solutions and Services

SAP Business One Be. As Manufacturing Add-on for SAP Business One

Why SAP Solution

- SAP's well-established experience
- User friendly and has a low learning curve
- Flexible to address industry specific needs
- Offers a wide range of functions to organise MKF' business processes
- Provides scope to grow

Implementation Highlights

Croesus' excellent financial management expertise supplemented SAP Business One's core functionality and Be.As Manufacturing Add-on Module, resulting in a better management insight of the company's performance.

Key Benefits

- Business process flow was streamlined and automated and better visibility for the business
- Production process and the associated cost at each routing stage was easily calculated
- Faster reporting of WIP levels in the company its production costing data
- Able to extract up-to-date information
- Established a centralised data management system that caters to all parts of the business
- Increased productivity and data accuracy
- Reduced duplication of data all of which is critical to have on demand in this highly competitive environment

SAP Customer Success Story

MKF Metal & Plastic Industries Sdn Bhd



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As a leading manufacturer in Malaysia, MKF is providing metal & plastic injection components with the highest commitment on the standards and of the high-quality engineering products.

In its competitive edge, MKF provides the expertise and facilities in warm forging, metal stamping, grinding, reverting and injection moulding. As a leading manufacturer, MKF is providing metal & plastic injection to well known customers such as Ikea Handal.

As the company operates in a fast moving business environment, effective information flow is essential for its daily operations. It requires in-depth, current information on its internal operations and financial position in real-time in order for its staff to make accurate and beneficial decisions for the company.

Looking to shift on from the legacy systems it was using, this Manufacturing -based company that specializes in metal and plastic, required a transformation from an organization dependent on manual processes to a more efficient, customer-focused, and market-driven enterprise.

"We were operating with legacy systems, where there was no integration between departments, and too many of our business processes required manual input," recalls Mr. Uwe Ernst Glunz, Managing Director of MKF.

"It was frustrating that information was not timely or accurate", notes Uwe, a German born and bred manufacturing

engineer now residing in Malaysia.

"We felt we could significantly advance visibility into our business and capability to control cost by redesigning and automating our business practices and integrating our databases. We just needed the right IT solution."

Taking a Step Forward with SAP

A major step up for MKF was the introduction of SAP Business One into its operations in January 2007.

"MKF evaluated many software vendors but only SAP Business One AND Be.as Manufacturing Add-on Module was able to meet the management's high expectations and industry-specific needs," says Richard Liau, Sales and Implementation Director of Croesus IT Solutions Sdn Bhd (Croesus), MKF's key implementation partner for the project.

Yet at the same time, it was Croesus' knowledge of SAP and Financial management that convinced MKF to select SAP Business One and Be.as Manufacturing Add-on Module.

"We really liked Croesus' can-do attitude to provide a solution. As the pioneer SAP Business One Partner, they knew SAP very well, and were able to explain how it solves our problem.

Incorporating the Be.as Manufacturing Add-on Module and their willingness to extend the reporting capabilities of Be.as, they were instrumental to making the solution work at MKF. They didn't just give a sweeping 'the standard system can not do that' type of answer," adds Mr. Glunz.

MKF was particularly impressed at SAP Business One and Be.as Manufacturing Add-on Module's ability to integrate all of MKF' business processes into a single platform. SAP not only streamlined the business process flow of MKF, it is able to provide a centralised data management system that caters to all parts of the business too.

For instance, from product costing to sales order tracking to procurement to inventory management to production planning to order delivery, all the different users from various departments are able to pull data from a centralised source thereby eliminating double work or human error.

The previous problems associated with the lack of insight on the stages of their manufacturing work orders were eliminated. The production team no longer have to run around to collect information on the factory floor to compile a status report. With the SAP



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Business One and Be.as Manufacturing Add – on Module, multiple users can log on to enter their data whilst others are generating their production status reports. This has led to the availability of accurate “on demand” business intelligence for Mr. Glunz, reducing business decision timeframes.

Staffs also have visibility into impending stock shortages, making it easier to reprint book titles in time to fulfil customers’ orders.

Costing of production batches is clearer and easily extracted.

Custom-made Easy

“One of the key success factors was the excellent cooperation with our key implementation partner, Croesus. They brought in financial management knowledge and resources, and put us on the fast track right from the beginning,” says Mr. Glunz.

Another value that Croesus brought to the table was the customised reports on the Be.as Manufacturing Add-ons module which supplemented SAP Business One’s core functionality and improved MKF’ potential to make full use of the system, giving better returns of investment.

For example, Working capital tied up in WIP is also easily identifiable, without spending large amounts of manpower doing computations manually using Excel.

“Now it can be extracted and posted to the accounts fast, leading to faster and

more accurate processing of profit and loss accounts,” says Mr. Liau.

Platform for Growth

With the project’s success – a first for Croesus in Malaysia’s manufacturing industry – MKF already has plans to use the platform to grow its business.

In an industry where margins are razor thin, extensive use of the system will be used to manage its production costs and compete more effectively in the global plastics sector.

MKF is confident of both Croesus’ and SAP Business One’s capabilities to help them grow in the 21st century.

“With SAP Business One, we now have a business platform that fully supports our growth strategy and offers us a wide range of functions for efficiently organising our business processes, at cost effective software price level,” says Mr. Glunz.

Implementation Partner
Croesus IT Solutions Sdn Bhd



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