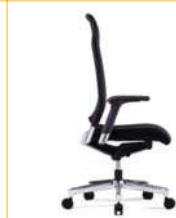


SAP Customer Success Story Henry Designcentre



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Paul Yong, Director, Henry Designcentre.

AT A GLANCE

Summary

Henry Designcentre, a leading office interior solutions provider replaced its archaic DOS-based enterprise system with SAP® Business One. Using the software to integrate its finance, sales and logistics departments together, the company now has transparency across all its business units. This will help sharpen its competitive edge, increase customer satisfaction, and gives staff the ability to manage and analyze critical business data in real-time.

Industry

Office interior solutions provider

Key Challenges

- Low barrier to entry erodes market share and profit margins
- Previous ERP system was inefficient
- Too much customization made ongoing maintenance difficult
- Unable to track and retrieve updated sales data in real-time
- Manual tracking needed to match customer queries, delaying sales reporting process
- Lacked inventory module to monitor stock level

Project Objective

- Improve management and tracking of sales enquiries
- Improve inventory management
- Build a customer database for marketing purposes

Solutions and Services

SAP® Business One

Why SAP Solution

- Offers sales and financial insights, and inventory information in real-time
- Standards-based solution fits 90 percent of company's business needs
- Able to integrate and support operational needs of all its departments
- Eliminated maintenance and scalability problems associated with customized solutions

Implementation Highlights

Deployed for five users within two months

Key Benefits

- Streamlined processes removed redundancies
- Query generator delivers sales data in real-time, making sales and customer analysis possible.
- Centralized database captures critical business data
- Improved transparency across different departments
- Financial reporting function improves overall financial performance, avoids cash-flow bottlenecks
- Improves staff efficiency

Implementation Partner

The World Management

Previous Environment

Customized DOS-based ERP system

HENRY DESIGNCENTRE

Office interior solutions provider gained sales and financial insights with SAP® Business One.

A low barrier to entry is a main source of worry for Paul Yong, director of Henry Designcentre.

Established in 1960 in Singapore, Henry Designcentre is a well-known name that is synonymous with leading-edge, innovative design and interior planning solutions. But even as the premier office interior solutions provider with a staff strength of 22, Paul knows his company cannot afford to rest on its laurels.

“Our market is quite small and a lot more people are jumping onto the bandwagon,” said Paul. “The low entry barrier means we’ll get a lot of startups competing with us. Whether they do a good job for customers, the opportunity for us is lost.”

To compound matters, Henry Designcentre is facing intense competition from companies in China, whose products are attracting price-sensitive corporations. This further erodes the company’s profit margins and with high overheads to manage, Paul has to find ways to maximize efficiency and reduce operating costs.

But Henry Designcentre’s old IT system was creating inefficiencies, impeding its ability to track, analyze and improve business performance. To remain competitive, the management decided to replace the DOS-based enterprise software with SAP Business One in May 2005.

Legacy system poses problems

Elaborating on the legacy system which the family-run business has been using for more than 10 years, Paul said, “We bought a ‘white elephant’; a lot of components in the old enterprise resource planning (ERP) system were not used.”

He explained that when Henry Designcentre was looking for an enterprise software in 1994, they were unsure of the solutions available. That was why it hired a consultant to help select and implement the IT system. But because the staff were so used to the traditional business processes, they kept asking for customization of the ERP system to suit their way of working.

“We simply lost the DNA of the system,” said Paul, “and only that consultant knew the inner-workings of the customized ERP solution. We were at the mercy of the consultant. If the system breaks down, we were completely dependent on that consultant to help us.”

Furthermore, the legacy system was unable to deliver up-to-date sales data in real-time as it could neither track the number of quotations nor the contents of the quotations generated for each customer query. As a result, the finance and sales staff had to print all the documents and manually match each document to the relevant customer account or query.

This led to a lot of unnecessary, repetitive and time-consuming tasks, which delayed the sales reporting process. This also meant Henry Designcentre was unable to track who its potential clients are and generate an accurate sales summary of each client or query. What’s more, the system lacked an inventory module, preventing Henry Designcentre from monitoring stock level.

The search is on

The priority was to look for a solution that can integrate Henry Designcentre’s finance, sales and logistics departments to increase efficiency and transparency across the entire business. In addition, the company wanted an enterprise management software that could give staff a better way to manage and track sales enquiries.

“It must also help build our customer database so that we can capitalize on information captured for marketing purposes,” added Paul.

The management spoke to several vendors but SAP Business One stood out among the several solutions that Henry

Designcentre evaluated. The management was impressed by the software’s ability to track and manage the sales process, and support the operational needs of all its departments. Although the company was prepared to change its processes to fit the new system rather than customize it, SAP’s standards-based solution was already a close fit to its business

needs. This eliminated any maintenance and scalability problems associated with customized solutions.

“We looked at various systems and we know no system will fit us 100 percent. But SAP Business One met at least 90 percent of our requirements,” said Paul.

Together with the help of a government grant, Henry Designcentre was able to implement SAP’s business and operational management solution within their budget. What prompted the decision to go with SAP Business One was also the support and expertise of The World Management, one of SAP’s preferred partners.

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Paul Yong, Director, Henry Designcentre.

Smooth implementation

Based on the implementation methodology recommended by The World Management, Henry Designcentre's SAP Business One application was deployed for five users within two months.

The project comprised four phases, which kicked off with a briefing on the implementation methodology and project schedule. Once that was approved and resources allocated, the second phase involved process analysis and design. This required The World Management to understand and document Henry Designcentre's work processes and system requirements before coming up with the final system design. The third phase was system implementation. The final phase involved end-user training, evaluation and fine-tuning before SAP Business One went live on 1 July 2005.

The switch to the new SAP system was made easier by the fact that Henry Designcentre is already an ISO-registered company with a set of quality-assured procedures and business flow. "We already have an established way of working. We just had to revise some process flows," said Paul.

For instance, the company previously did not have an inventory system that could deliver real-time data. But the new SAP system enables Henry Designcentre to take advantage of the online inventory tracking capability to enhance process flow and integrate with its sales system.

Benefits roll in

Henry Designcentre is currently using all modules of SAP Business One except for the manufacturing component, which it doesn't need. Despite the fact that it will take a while for the company to maximize its investment, management is satisfied with the benefits thus far.

What the company likes about the new system is that it has streamlined its processes even further by removing redundancies. For example, their staff no longer have to go through the tedious and manual processes involved with generating a sales report. With the query generator function, staff can now obtain sales data such as status of each sales quotation in real-time. With this, the company will be able to conduct sales and customer analysis – something it was unable to do with the old system. This ultimately helps Henry Designcentre monitor and improve sales performance, and increase customer satisfaction.

Efficiency of Henry Designcentre's staff has also increased as a result. With a centralized database containing critical business data, different departments can instantly retrieve real-time and accurate data.

Finally, the system also yielded an unexpected benefit. "We can now do accurate and up-to-the-minute financial reporting. We never had a system to support this and SAP Business One is a nice surprise," said Paul. Gaining financial insights will improve the organization's overall financial performance and help management avoid cash-flow bottlenecks.

Moving Forward

The next thing on Henry Designcentre's to-do list will be to rebuild its website in 2006 so that it can capture data of existing

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and potential customers who pass through the site. It is also looking at the possibility of integrating the website with the SAP system so that the company can serve and anticipate customers' needs better.

In the mean time, Henry Designcentre will continue to see how it can reap the most from the new system.

"We are still discovering other capabilities in the system. But we are pleased with the performance of SAP Business One so far," said Paul. In fact, he expects the opportunity management and forecasting features to be extremely useful in the future.



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