

## SAP Customer Success Story Teho Ropes & Supplies



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Lim See Hoe, Managing Director, Teho Ropes & Supplies.

### AT A GLANCE

#### Summary

Teho Ropes & Supplies needed an enterprise management system to integrate its accounts, inventory and sales processes together. SAP Business One did just that and delivered the benefits the company was looking for.

#### Website

[www.teho.com.sg](http://www.teho.com.sg)

#### Key Challenges

- Legacy accounting software could not meet emerging business needs
- Extracting business critical data for analysis was a tedious, time-consuming process

#### Project Objective

To replace its legacy accounting software, Accpac, with an enterprise management tool that can grow alongside its business needs

#### Solutions and Services

SAP® Business One

#### Why SAP Solution

- Offers advanced analytical tools and access to real-time data
- Scalable

#### Implementation Highlights

- Implemented within three months
- 10 users

#### Key Benefits

- Management has greater insights into overall business operations, from sales, accounts, procurement, inventory to customer management
- Improved staff’s productivity
- Increased customer satisfaction

#### Implementation Partner

The World Management

#### Previous Environment

Accpac

## TEHO ROPES & SUPPLIES

### Rigging company ties up the loose ends with SAP® Business One

Running a growing business in today’s globalized environment is fast becoming a delicate act on the tightrope. For Singapore-based marine supplies and rigging company Teho Ropes & Supplies (Teho), technology is a key enabler to gain competitive advantage and propel progress.

Incorporated in 1986, Teho enjoys a long and illustrious history as one of Singapore’s oldest firms in the rigging industry. Guided by the principles of providing quality products and excellent service, the firm employs 35 staff for its day-to-day operations.

As a stockist, distributor and exporter of industrial ropes, chains and accessories, and provider of fabrication and testing services, Teho has a diverse clientele base. Its customers are mainly from the marine industry although it also serves those from the port, off-shore, construction, transportation, mooring, towing, logging, elevator and mining sectors.

“So long as there is a need to hoist or tie-down something, our ropes can be sold anywhere,” explains Lim See Hoe, Managing Director, Teho.

Managing these markets requires Teho to stay abreast of the latest developments in the industry and satisfy clients' ever-changing requirements. To achieve this, Teho started leveraging on IT in 1997 to manage its accounts. However, as more global contracts poured in, the company realized that having accounting software alone was not enough to handle the increased complexity of its business requirements. This sent Teho on its quest for an integrated enterprise system, which culminated with the deployment of SAP Business One.

### Legacy limitations

Teho traditionally supplied a few thousand tons of ropes each year to customers in Asia. However, that changed as market dynamics shifted.

Although Singapore is the biggest port-of-call for marine supplies, there are three other main supply centers, namely Dubai, Rotterdam and Houston. And as ship owners globalized their operations, Teho had to extend its operations to Dubai in 2003 as part of its strategy to better manage contracts and fend off competition that are coming in from all corners of the world.

"We were using Accpac for eight years. Although it was a good accounting software, it didn't meet our other business needs," says Lim.

For instance, extracting critical information for sales and inventory analysis was a tedious affair as the process required modifications to the rigid software architecture.

"Every time we tried to get new information to chart our business growth, it was almost as if we were creating a new report from scratch," he adds. "Even minor changes required external help, which was ridiculous."

The management also frowned on the system's limitations in integrating sales, bill of materials, inventory and accounts management on a centralized platform. Staff had to manually compute inventory outflows from purchase orders through Excel spreadsheets, resulting in unnecessary errors and lag times.

This is a critical problem to avoid as it typically takes 1.5 to 2 months to produce a length of rope, which means Teho has to ensure its warehouse has the type and quantity customers need readily available the minute their ships enter a port-of-call. So making sure that its inventory is kept at an optimal yet cost efficient level would require a system that could integrate purchasing tightly with sales and inventory management.

Another bugbear that prompted an enterprise software overhaul was the inability of the old system to accurately track which country the orders came from, let alone analyze the sales data.

To prevent these issues from impeding business growth, Teho decided it was time to migrate to a new business management platform.

### The switch to SAP

Teho's first attempt at upgrading its enterprise management system in April 2005 was fraught with so many complications and disagreements with the other software vendor that it had no choice but to renew its search for a more appropriate solution.

The hunt led to a meeting with SAP's implementation partner, The World Management (TWM). SAP Business One came strongly recommended by TWM as its analytical tools and ability to offer access to real-time data were exactly what Teho required. With

it, TWM was confident Teho would be able to understand its market and operations better, and gain competitive advantage in the long run.

The deployment process for SAP Business One started in July 2005 and took a mere three months to complete. Implementation was also smooth as Teho had already defined the project requirements from its initial attempt.

**"Time is money these days. So if there's a need to make an early purchase to replenish stock based on the information I see with SAP Business One, we can do it right away."**

*Lim See Hoe, Managing Director, Teho Ropes & Supplies.*

## **Business Insights**

Now, Lim has greater insights into Teho's overall business operations, from sales, accounts, procurement, inventory to customer management. Not only does this enhance decision making, it allows him to track and obtain accurate, up-to-date business critical data just at the click of a button.

With SAP Business One, Lim can check what was sold, to whom, at what price and margin, and stock balance the moment his staff keys in their sales transactions. "Time is money these days. So if there's a need to make an early purchase to replenish stock based on the information I see with SAP Business One, we can do it right away," he adds.

Staff productivity has also improved. For instance, the accounts division no longer posts data manually into the general ledger at day-end nor calculate inventory cost by hand. Instead, the SAP system has enabled inventory to be accounted for using a perpetual inventory method rather than periodic inventory method, resulting in time savings.

In addition, Teho's sales personnel appreciate the convenience the SAP system has offered. Gone are the days where they had to plough through spreadsheets and speak with different parties before they could extract order details upon clients' request. Since the required data can now be obtained in real-time via the SAP system, customer satisfaction has increased as a result. To enhance Teho's value even further, the next logical step would be to create a web site for customers to log in and retrieve information themselves, adds Lim.

Plans are also in the pipeline to make use of the Alert features offered by SAP Business One to help Teho better manage its inventory level. So when inventory level runs low, all sales staff will receive an alert regarding items with insufficient quantity, preventing them from over committing to customers. And although it will explore additional modules like sales opportunity management and human resource in the future, the priority is to refine the existing SAP solution. After all, management is more than satisfied with its investment.

"It is money well spent and I'm very happy we took the step to migrate to SAP Business One," Lim concludes.



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