



QUICK FACTS

Industry

Mill products – plastics manufacturing

Revenue

US\$3.4 million

Employees

84

Headquarters

Penang, Malaysia

Web Site

www.paradeseason.com

SAP® Solutions and Services

SAP® Business One application

Implementation Partner

Selatan Technology Resources Sdn Bhd

Key Challenges

- Give managers clarity and control to run factory operations in multiple countries
- Monitor and track sales, purchasing, inventory, production, invoicing, and finance transactions from a single platform
- Integrate business processes throughout the company
- Eliminate manual reporting processes
- Minimize data errors and production downtime

Implementation Best Practices

- Strict adherence to project milestones
- Use of ASAP methodology
- Close collaboration of steering committee, project leader, and implementation partner

Financial and Strategic Benefits

- Greater visibility across the enterprise
- Improved decision making through access to a “single source of truth”
- Enhanced inventory visibility and management
- Better cash flow management
- Faster monthly close
- Improved order management and collections
- Enhanced management reporting

Why SAP Was Selected

- Comprehensive functionality in a cost-effective application
- Alert and workflow functions that support company’s specific business processes
- Manager self-service functionality
- Support for company-wide data sharing and communication
- Scalability for changing business needs

Low Total Cost of Ownership

- Deployed software across multiple locations
- Minimized support costs by staying within annual maintenance agreement from SAP

A producer of one-stop, turnkey electronics manufacturing services, Parade Manufacturing Sdn Bhd uses the SAP® Business One application to help managers view and analyze daily production data from their desktops and synchronize the company’s manufacturing and financial processes. Greater visibility and a “single source of truth” have enhanced decision making, increased efficiency, improved cash flow management, and helped cut operating costs by 29%.

Operational Benefits

Key Performance Indicator	Impact
Days in inventory	-80%
Inventory accuracy	+43%
Inventory write-offs	-90%
Order-to-ship cycle	-50%
Ship-to-invoice cycle	-50%
Production plan adherence	+24%
Cost of unplanned overtime	-93%
Time for monthly close	-53%
Receivables overdue	-75%
Uncollectible write-offs	-75%

“SAP Business One provides an integrated view of all our business transactions.

It gives managers greater control and has the scalability to support our changing business needs and help us stay ahead of the competition.”

Ham Hon Pine, General Manager, Parade Manufacturing Sdn Bhd

Parade Manufacturing Sdn Bhd, part of Season Group, produces one-stop electronics manufacturing services, printed circuit board assembly, injection moulding, wire-harnessing, and packing at its factories in Malaysia, Canada, and China. Implementation of the SAP® Business One application has given managers the clarity and control they need to run and grow their international enterprise.

Better Information Needed for Better Decisions

Prior to the implementation of SAP Business One, Parade Manufacturing used software developed in-house to manage product manufacturing and storage and a separate solution for financial transactions.

“With data spread across disparate systems, we could not access information quickly enough for effective decision making,” says Parade Manufacturing’s general manager Ham Hon Pine. “There was a lot of double entry of data as well as issues with accuracy. We needed a comprehensive and cost-effective solution that would help us centrally monitor and track all transactions – from sales, purchasing, and inventory to production, invoicing, and finance.”

Parade Manufacturing chose SAP Business One to gain the integrated operational view needed to manage transactions across the enterprise. The company was particularly attracted to alerts and workflow in the software

that supported its particular business processes. Also important were self-service functions for managers and the software’s scalability for future business needs.

With help from its partner Selatan Technology Resources, ASAP methodology, and strict adherence to project milestones, Parade Manufacturing rolled out SAP Business One to plants in Penang, Kuala Lumpur, and Johor within six months. The company has lowered total cost of ownership by keeping support costs within the annual maintenance agreement from SAP and deploying the software across multiple locations. Subsequent rollouts are planned for China and Canada.

Operational Improvements Across the Company

Department heads can now view and analyze the daily status of production, inventory, sales, and manufacturing production performance from their desktops. “With information that is more timely and accurate, we can respond more quickly and effectively to changing market conditions,” says Pine.

The company has significantly improved order processing, inventory management, and production. Working cycle times and production errors have been reduced and overstock eliminated.

Order-to-ship and ship-to-invoice cycles have been shortened by 50% and the order receipt-to-manufacture cycle by 75%. There is now 100% inventory accu-

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racy, an improvement of 43% that has helped reduce days in inventory by 80% and inventory write-offs by 90%. Inventory management efficiency has improved by 33%.

Parade has also increased production plan adherence to 99%, an increase of 24%. This has streamlined the manufacturing process, removed inherent inefficiencies, and reduced the cost of unplanned overtime by 93%. In addition, order processing and production efficiencies have improved by 25% and 32%, respectively.

Financial functionality has helped Parade close its monthly books 53% faster and manage cash flow more effectively. Greater visibility into and control over receivables and outstanding balances have reduced overdue receivables and write-offs of uncollectible receivables by 75%. Parade has also reduced invoice error rates by 80%.

These improvements have helped trim overall operating costs by 29%, leading to an internal rate of return of US\$1,600 per month and a payback period of 30 months for the new software.

“SAP Business One has helped us reduce manual work, create more useful reports, minimize production overhead, and cut operational costs,” says Pine. “With an integrated view, we can also track product defects more easily and respond promptly with corrective measures.”

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