

SAP ISV Success Story

“Migrating to SAP was very easy. Secondly, we can see the potential –you can penetrate into new markets by working with SAP. Thirdly, you want a partner who can complement your own company.”

Jason Chia, Chief Executive Officer
& Chief Technology Officer, I-Power Berhad



AT A GLANCE

Company Name

I-Power Berhad
Malaysia
www.ipowerbiz.com.my

Industry

IT consulting

Employees

65

Location

Malaysia

Key Customers

Amway Malaysia, Esthetics International Group, Ni Hsin Corp, Tele Dynamics, Fujitsu, and Fella Design, SPSetia Berhad, UMW Toyota, TupperWare

Expertise

SAP NetWeaver® platform
SAP® xApps™ composite applications including eCRM, eHR, ePOS, eStore. Soon to roll out eProcurement, eAgency Management and other applications

Business Challenges

- Provide enterprise business solutions to local and multinational companies operating in South-east Asia
- Maintain the momentum of this SME's exponential growth rate
- Attract large, multinational clients in government, financial services and other large sectors

Partnership Benefits

- More robust portfolio of offerings
- Increase staff retention and morale through SAP training
- Joint business and account planning
- Joint sales and marketing activities

I-POWER BERHAD

I-Power and SAP unite to develop SAP NetWeaver® based solutions

Founded in 2002, I-Power Berhad has rapidly made a name for itself as one of Malaysia's top e-business solutions providers across a broad range of industries. While revenues shot up six times between 2002 and 2005, profits rose by a factor of 18 from RM310,000 to RM5.57 million. Reflecting this rapid ascent, I-Power became a publicly listed company in January 2005. With 65 employees, it faces the challenge of maintaining the exponential growth rate of its business.

Having established itself as one of Malaysia's leading small and midsize enterprises (SMEs), over the next year, I-Power is expanding its customer base in the automotive, consumer electronics, hotel, retail, multi-level marketing and cosmetics with sectors in financial services, the government sector and other industries. Needless to say, offering web-enabled services that are compatible with the IT infrastructure of potential customers is a critical part of I-Power's growth strategy.

SAP & I-POWER: A CUSTOMER-DRIVEN RELATIONSHIP

With SAP now an ubiquitous part of enterprise systems in the manufacturing, retail, financial and government sectors, Chia concluded that SAP NetWeaver® based solutions would play a key role in bringing I-Power to the next level of growth.

Consequently, late last year, an SAP consultant studied I-Power's business model, IT infrastructure and client needs. Shortly thereafter, I-Power adopted SAP NetWeaver and obtained certification for four applications; eCRM, eHR, ePOS, and eStore. And it is porting even more of its current and new applications to the open-standards based SAP NetWeaver platform over the next year.

EASY, SEAMLESS MIGRATION

Chia shares several key factors that motivated I-Power to adopt SAP NetWeaver based solutions. "First of all, it was very easy for us to migrate and it only took one and a half months to implement the four solutions." He adds that, "The migration was quite straightforward because SAP NetWeaver is J2EE compliant and so are our solutions. Therefore when we migrated them to SAP, it was quite easy. That is why we were able to get so many of our solutions SAP certified in such a short time."

Moreover, the ePOS, eCRM, eStore and eHR applications rolled out on to SAP NetWeaver were all 100% web-enabled and required zero client installation. I-Power did not need to make any new investments in hardware, applications or infrastructure. Hence, from I-Power's perspective, an investment in SAP NetWeaver is cost-effective as it enables existing infrastructure to be extended and recycled – all within the shortest possible time frame. Given the rapid evolution of enterprise systems, of iPower's clients evolve rapidly and with its J2EE compatibility, Chia says, "SAP NetWeaver makes it very easy to add, modify or amend applications and their modules."

OPENING DOORS TO NEW MARKETS

Chia adds that, "Secondly, we can see the potential for working with SAP NetWeaver, as you can penetrate new markets, especially areas such as financial services where our solutions have been certified to run on SAP's technology platform." Already using SAP NetWeaver based applications to win and satisfy clients in the consumer electronics, automobile, hotel and cosmetics industries, I-Power expects SAP certification to win new clients in the

lucrative government and financial sectors. For Chia, developing on the SAP NetWeaver platform enables I-Power to expand their market to include SAP's customer base and provides it with a strong referral for new business and lead generation.

Given the large number of I-Power public sector tenders pending approval and its intention of acquiring more financial industry customers, SAP's widespread usage in these sectors will play a key role in winning new clients. Chia adds, "A lot of mergers are starting to take place in Malaysia between the local banks and new regulations like Basel II, compliance and IT governance rules are making SAP solutions more essential."

MOVING UP THE VALUE CHAIN

With I-Power already providing system integration services to Malaysian, Singaporean and multinational financial institutions, acquiring SAP certification empowers it to move up the value chain and begin providing these customers with specialised e-business solutions in the areas of Human Resources, CRM. Best of all, by adopting SAP NetWeaver, I-Power can easily offer financial institutions these solutions on existing SAP enterprise portals.

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From Chia's perspective, "If the customer is already using SAP solutions as a backend, having SAP NetWeaver as our solutions server makes our job easier and integration with the backend more efficient." Leveraging I-Power's SAP certification is made easier by the fact that, "SAP invites us to participate in their events and workshop, giving us an opportunity to network with these people."

A BALANCED, COMPLEMENTARY RELATIONSHIP

Thirdly, although SAP is a multinational company and I-Power is a fast growing SME, the two enjoy a balanced, complementary relationship. Rather than merely depending on SAP as a senior partner, Chia cites synergies between I-Power and SAP's core competencies.

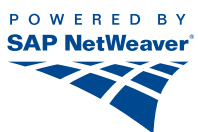
He explains that by combining I-Power's deep understanding of client business needs with SAP's experience and continuous innovation, customers can enjoy the benefits of their joint collaboration. In sum, I-Power customers can now take advantage of SAP NetWeaver's flexible and highly adaptive enterprise services architecture to become more competitive.

I-Power continues to make inroads into the Southeast Asia market as their business accelerates enhanced by this new collaboration and market recognition that comes with SAP certification.

By the middle of 2006, I-Power will have rolled out eProcurement and eAgency applications, both powered by SAP NetWeaver, to provide supply chain management and contact management services for its manufacturing and multi-level marketing clients. To further extend I-Power's customer reach, more I-Power e-business solutions will be deployed on SAP NetWeaver in the second half of this year.

Clearly, I-Power considers its partnership with SAP an important part of its business development strategy.

Having enjoyed four years of rapid growth, Chia believes that, "e-business in Malaysia is still in its infancy and there will be many more opportunities. It depends on what your customers prefer." And I-Power's evolving partnership with SAP makes it clear that many customers prefer SAP NetWeaver.



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