

mySAP™ All-in-One Customer Success Story For Molding Industry

“SAP has revitalized our entire production process and enabled real-time management, so we can develop better business strategies in a timely and effective manner. It’s really a decisive factor in achieving our ambitious goals, not only for the time being, but also in the long term.”

Mr. Nelson Fu
General Manager
Ace Plastics Co. Limited



AT A GLANCE

Company name

Ace Plastics Co. Limited,
Hong Kong
www.ace mold.com

Industry

Plastics injection tool making, molding and secondary operations

Key Challenges

- Improve cost and business segments analysis to develop growth strategies
- Increase financial visibility; reflect timely and accurate financial data and budget control
- Enhance production planning and management; enable JIT delivery and effective inventory control
- Achieve real-time management across different departments

Implementation Partner

MagicPlus Solutions Ltd.

Solution and Services

- mySAP™ ERP Modules:
- Financial and Controlling (FICO)
 - Material Management (MM)
 - Sales and Distribution (SD)
 - Production Planning (PP)

Existing Environment

- ERP System

Implementation Highlights

- Fast implementation in just 8 months
- Thorough education provided for all departments, enabling excellent inter-departmental co-operation and support

Key Benefits

- Improved financial reporting efficiency by 70%, providing an up-to-date, crystal-clear picture of the company's financial status
- Comprehensive and accurate cost analysis facilitates intelligent and fast decision-making
- Integrated business processes and real-time information flow enables better production planning and operational efficiency
- Inventory control significantly improved, with purchasing lead-time reduced by 50%
- Improved inter-departmental collaboration and accountability

Hardware

- DELL Server

Operating System

- Microsoft Windows Server and SQL Server

ACE PLASTICS CO. LTD.

How SAP solutions have helped ACE Plastics generate a profit-driven strategy and optimize operational efficiency with best business practices and management processes, ultimately building a strong foundation for the company's continuous growth.

To stay competitive and achieve its ambitious business goals, Ace Plastics Co. Limited requires a sophisticated and reliable ERP system to not only optimize its operational processes, but also provide business insights for strategy development and timely decision-making.

SAP solutions take care of all these issues, from production, inventory management, sales and marketing activities to financial reporting, boosting operational efficiency and enhancing managerial control.

MANAGE CHAOS TO ENHANCE COMPETITIVENESS

Ace Plastics, a wholly-owned subsidiary of one of Hong Kong's largest tooling manufacturers - Ace Mold Company Limited - is focused on producing plastics injection tools, molding and secondary operations for five product categories, namely Consumer Products, Connectors and Switches, Cosmetics and Packaging and Industrial Products.

The group has achieved sustained growth in the past decade and now operates three manufacturing plants in Shenzhen and Shanghai, which combined offer more than 400,000 square feet of manufacturing space, serving customers in both southern and northern China, Europe, and North America.

In 2004, Ace Plastics and Ace Mold recorded a combined sales turnover of US\$35 million. The two companies currently have over 1,800 employees in China, the United States, and England.



As the business has grown, so too its operations have exponentially increased, creating complex management systems and inefficient production processes. Under these circumstances, a systematic ERP system was crucial if Ace was to achieve smooth operations.

Before moving to SAP, Ace Plastics had deployed an ERP system. However, this system created serious problems for the company. “The unqualified system only offered single functionality without real-time information updates. Its data accuracy was extremely bad, to the point that we were recording negative stock levels. Its limited financial functions led to inaccurate reporting and heavy manual accounting work-loads,” explained Mr. Nelson Fu, General Manager, Ace Plastics Co. Limited.

“We wanted an ERP system that could provide an integrated platform for real-time information recording, updates and consolidation; a system that could automate our entire business process with high efficiency and manageability,” Mr. Fu continued. “To support our aggressive sales target – a 60% increase in 2005 alone – the system would have to play a mission-critical role in generating profit-driven business strategies.”

SWITCHING TO THE MOST RELIABLE SOLUTION - SAP

After undergoing such a painful experience with its first ERP system, Ace decided on a thorough evaluation process of the world’s leading ERP solution provider – SAP.

“SAP is the most famous ERP system in the world. We chose SAP because we wanted to run the world’s best-in-class, most stable and reliable platform, tailored for our industry and scalable enough to cope with our future development.”

Mr. Nelson Fu, General Manager,
Ace Plastics Co. Ltd

“In the evaluation process, we found that the SAP solution provides feature-rich, highly flexible functionalities that address all our business needs. And the best advantage is that no customization was required. This greatly helped us minimize the cost and time involved in implementation,” said Mr. Fu.

With 33 years’ experience in implementing ERP systems for different kinds of industries, SAP is able to draw upon best practices for a wide range of industries, enabling diverse solutions that cover all areas of a supply chain.

“We have 25 industry solutions that are well-established and ready to deploy,” said Mr. Lee Boon Lee, Chief Operating Officer, SAP North Asia, and President, SAP Hong Kong and Taiwan. “All of them were developed through intensive testing and evaluation, and are implemented with a proven track record.”

“There are numerous reasons we chose SAP. Apart from its functionalities meeting all of our requirements, its accounting and financial reporting are renowned in the market. Its trustworthy and high-quality reports provide excellent corporate governance that helps us gain wide acceptance from customers, the public and government,” added Nelson.





COMPLETE BLUEPRINT FOR A HASSLE-FREE IMPLEMENTATION

In its previous ERP implementation process, Ace had had a very bad experience using a solutions partner with no industry-specific project experience. This ill-planned and confusing implementation resulted in Ace suffering a complex process of system customization, inconsistent data migration and data error. Eventually, after a delay of one year, only a part of the system was able to go live and the entire project was considerably over budget.

So when Ace started its ERP implementation in May 2004, it highly appreciated SAP's comprehensive implementation plan and professional methodology. "In the planning stage, we worked seamlessly with SAP consultants to finalize a complete blueprint for our deployment. SAP consultants were very familiar with our industry. Their expertise and SAP's best practices, coupled with the industry knowledge of SAP's solution partner MagicPlus Solutions Ltd. gave us the confidence to build a state-of-the-art ERP infrastructure which perfectly matches our business needs," said Mr. Fu.

The deployment of the new ERP system involved all departments, including sales, engineering, production, purchasing, finance and management. Besides a well-organized implementation strategy, a thorough education program was also conducted with all department heads prior to implementation to help them better understand the new system's key benefits.

"We were very impressed with the smooth implementation. It gave great confidence to our management and operational departments."

Mr. Nelson Fu, General Manager,
Ace Plastics Co. Ltd

Ace implemented a variety of SAP modules, including Sales and Distribution (SD), Material Management (MM), Production Planning (PP), Finance and Controlling (FICO) to increase its corporate efficiency and transparency. Following a hassle-free implementation process, which comprised four phases and lasted some 12 months, Ace is now able to enjoy a robust, reliable and scalable environment that can fully support its business both today and in the future.

UNPRECEDENTED BENEFITS FOR A NEW WAY OF WORKING

Ace's implementation of SAP was a huge success, with immediate benefits as soon as the new system went live in early January 2005.

"Although the system has only been in operation for a few months, we immediately experienced its power," said Mr. Fu. "The most apparent improvement was the time needed for generating month-end financial reports, which was slashed by 70%, from three months to just 20 days."

The newly integrated solution also provides up-to-the-minute financial data, so Ace can now make timely and accurate cost analysis for each product and find out which areas have higher profit margin, then focus its resources on those areas. "These types of business insights provide us precious information for developing appropriate marketing and sales strategies, which greatly enhances our competitive advantages," adds Mr. Fu.



Production planning is also essential for Ace to stay competitive. With SAP solution, material planning, production scheduling and inventory management have all been improved, and the lead-time for issuing purchase orders has shortened by 50%. Project delivery time has also been greatly enhanced through successfully achieving JIT delivery and no negative stock has been recorded.

Improvement in collaboration among departments and internal control is another impressive result. "The real-time management and integrated business flow enables departments to speak the same language using fresh and accurate information," said Mr. Fu.

The new ERP system also records all daily activities and workflows. This means it's very convenient for departments to trace and fix problems in the event of an error. This improved accountability facilitates better internal monitoring and has resulted in more efficient control of day-to-day operations.



PLANNING FOR THE FUTURE

The SAP system is a key enabler of Ace's future business development. Already, Ace relies heavily on the system to reflect not only the financial situation of the company, but also in determining fast and intelligent business strategies that drive the company's long-term growth.

In terms of system expansion, Ace now plans to enhance its warehouse management and production floor management, quality management and data management. Moreover, the successful implementation of its SAP solution has also led the company to consider deploying SAP in two other locations.

"The result has proved that choosing SAP was the right decision. It's really just like driving a Ferrari! With SAP's powerful and extraordinary performance, we are finally able to plan for continuous improvement in the months and years ahead."

Mr. Nelson Fu, General Manager,
Ace Plastics Co. Ltd

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