



## LAYING DOWN THE FOUNDATIONS FOR GROWTH

SAP BUSINESS ONE DRIVES GREATER COLLABORATION AND EFFICIENCY

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### QUICK FACTS

#### Company

- Kilfrost - the global market leader in the supply of de/anti-icing products to the aviation industry.

#### Challenges and Opportunities

- Improved management information

#### SAP Solutions and Services

- The SAP Business One application, implemented and supported by BGM Solutions.

#### Benefits

- Day-to-day visibility of company operations
- Improved credit control
- Improved stock management
- Lower borrowing
- More efficient purchasing
- SAP Business One can grow with the business



# LAYING DOWN THE FOUNDATIONS FOR GROWTH

## SAP BUSINESS ONE DRIVES GREATER COLLABORATION, INCREASED EFFICIENCY AND MORE EFFECTIVE DECISION-MAKING AT KILFROST

Originally founded in the early 1930s and still a family owned business, Kilfrost has pioneered de-icing technology for the past 75 years. Research, development and manufacturing are all undertaken at the company's UK base in Northumberland, with products being exported to over fifty countries around the world.

Kilfrost's turnover is around £20 million. However, if the licensee arrangements in the USA, Scandinavia and the Far East are taken into consideration, the turnover would be closer to £50 million, making Kilfrost the global leader in de/anti-icing products with a 34% market share.

### **Greater collaboration and efficiency**

Ambitious companies have to ensure they have the right structure and tools available to achieve their goals, and Kilfrost is no exception.

In mid 2006 a new CEO joined the company. His first task was to assess and put in place the foundations that would allow Kilfrost to meet its growth targets.

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Chris Blaxall, CFO, Kilfrost

Following a strategic review the need for improved management information was identified as a major imperative, as Chris Blaxall, CFO, explains. “The existing accounting system just could not provide the management information we needed to run the business effectively,” says Chris. “In addition, many of the business processes were manual, there was a proliferation of spreadsheets and departments tended to operate in isolation. The company needed an integrated system that would drive greater collaboration and efficiency, as well as provide timely, accurate and relevant information.”

### **Establishing requirements**

From his previous experience at another company Chris was convinced that there were only two vendors that had a solution that might meet Kilfrost's needs - SAP and Sage. He also knew of BGM Solutions, an SAP Partner. So he asked it to propose a solution based on the SAP Business One application.

BGM spent a lot of time working with Kilfrost to establish its requirements. For example, Kilfrost has to be able to ensure stock is delivered to customers in Europe within six hours, so it was important to establish how the system would handle this.



Kilfrost wanted as many potential users as possible to have the opportunity to see the system, as Chris explains. "We felt it was important that all the users felt comfortable with whatever system we chose, so BGM worked across all departments to show each of them how SAP Business One would fit their needs."

#### **Building a relationship**

The result of the rigorous evaluation exercise was that Kilfrost chose the SAP Business One solution from BGM. "I have to admit I was very sceptical about having a SAP solution," comments Chris. "But, in the end, we could see that it had a much greater depth of functionality and the linkage with Microsoft Excel was a great benefit. It was also clear that no bespoke changes would be required and the application would be relatively easy to set up. In addition, a key element was that we were looking to expand our business significantly and we knew that SAP Business One would be able to grow with us."

Kilfrost was also impressed with the report writing facilities and the work BGM had done during the evaluation process. "BGM really took the time to build a relationship with us, understand our business and show us how SAP Business One would meet our requirements. By the end of the evaluation process we were very confident that they would successfully implement the application for us."

#### **Quick implementation**

The contract was signed in July 2007 and a quick implementation was vital. "In our business the busiest time is the winter months. So we wanted the application to go live in October, giving us just three months to implement it," explains Chris.

Kilfrost employed a full time project manager to co-ordinate both its internal resources and BGM. The team worked together to configure the system and prepare the data that needed to be transferred. "The data preparation was very challenging," says Chris. "If we were doing it again we would put more emphasis on this aspect, as we did have some small teething problems."

BGM planned the implementation carefully. Targets were set for each step and, once achieved, the team moved on to the next goal. The data was transferred, comprehensive training sessions were held for the users and the system went live, on time, on October 15th 2007.

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**Chris Blaxall**, CFO, Kilfrost

"The plan BGM put together was very well thought out and, as a result, we knew exactly what to expect," says Chris. "Throughout the implementation the BGM consultants were very visible and they were very focused on making the application work for us. It was almost as if it was their own application they were implementing."

#### **Well received**

Sometimes, with a major new system implementation, there is a certain amount of resistance from users, but not at Kilfrost. "SAP Business One has been very well received, which has been absolutely amazing. It has helped people from different departments collaborate more and given them a better understanding of the effect their actions have on others. I am convinced it is a result of involving everyone in the decision-making process, which meant they could see the benefits they would get from SAP Business One before the implementation started."

### Significant benefits

The benefits have been significant. Although Chris cannot give hard numbers, SAP Business One has made the company more efficient and effective in a number of areas. "We can now see how the business is performing on a day-to-day basis," he says. "For example, before we couldn't get an accurate sales picture until a week after month end. Now we now exactly where we stand each day." Credit control is also easier and more effective, Kilfroast has greater visibility of its stock and can manage it better, and purchasing has moved from being reactive to proactive, as SAP Business One helps to flag when purchases are needed.

"We can also plan our cash better," says Chris. "Consequently, our borrowing is lower. We've hardly needed to draw on our banking facilities since SAP Business One went live."

### Increasing productivity

Chris can also see that SAP Business One will bring more benefits in the future. "It was a conscious decision to put the application in and get it working quickly," he explains. "Now we can look at using more of the features. The report writing facility can give us much more useful information, for example enabling us to identify the profitability of each customer down to contribution levels. In addition, the links with Microsoft Outlook will enable us to increase productivity even more with functions like on-line approval."

### Well qualified and professional

Reflecting on the whole experience Chris is very happy with both SAP Business One and the way BGM implemented it. "I've been involved with a number of integrated systems and I can honestly say that SAP Business One is a nice, tight system that is easy to use. The links to Microsoft Office are second to none. I would recommend it to any mid-sized company."

"BGM's staff were excellent at helping us to define our needs and went out of their way to explain how SAP Business One worked to us," Chris continues. "Its people were well qualified and handled the whole project very professionally."



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