



MIOL: Increasing customer satisfaction from fulfilled orders by 55% with SAP® ERP

MIOL Company faced typical challenges for a growing firm: building new procurement and sales processes, standardizing and automating existing processes, and reducing reporting time. MIOL found the SAP® ERP application ideal to meet these challenges. Implemented in cooperation with Incom Company, it boosted transparency, **improved reporting**, and increased data security.

Partner



Executive overview

Company

MIOL Company

Headquarters

Kharkiv, Ukraine

Industry

Industrial machinery and components

Products and Services

Manual tools, pneumatic tools, and equipment for auto service stations

Employees

60

Web Site

www.miol.com.ua

Partner

Incom Company

www.incom.ua

BUSINESS TRANSFORMATION

The company's top objectives

- Implement stronger business software for decision making
- Create new procurement and sales processes, automate existing business processes, and reduce reporting time
- Unify work environment, obtain reliable information in real time, and implement access control and information security

The resolution

- Implemented the SAP® ERP application and the SAP NetWeaver® Business Warehouse component
- Analyzed business processes to improve management accounting
- Developed information access controls
- Created its own team to support and develop the SAP software system

The key benefits

- Higher efficiency, transparency, and flexibility
- Flexible reports for improved decision making
- Tighter data security and software to monitor employee effectiveness

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TOP BENEFITS ACHIEVED

55%

Increase in customer satisfaction

15 days

Reduction in inventory turnover

-15 days

Order-to-delivery time for incoming goods

See more metrics ►



“We decided on SAP ERP as the most advanced software for business automation. The complete, reliable data we get in real time significantly improves the quality of our business decisions.”

Olga Levitskaya, SAP Implementation Project Manager, MIOL Company

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Targeting efficiency throughout the company

MIOL Company is a Ukrainian manufacturer of manual tools, pneumatic tools, and equipment for automotive service stations. Founded in 1991, the company's main activity is manufacturing and wholesale trade. MIOL has an extensive dealer network in Ukraine plus representative offices in Russia, Belarus, and Moldova and a recently opened branch office in Shanghai. An important step in the development of the company was the creation of a test lab in 2007.

MIOL is a successful and dynamic company. When its growth reached the point where its legacy business software could no longer satisfy needs, the company recognized that it was time for a new, more sophisticated, and dynamic application as a basis for decision making. To increase efficiency

and effectiveness, the company needed to create new procurement and sales processes, standardize and automate its existing processes, and reduce reporting time. Priority tasks included establishing a unified working environment, obtaining reliable information in real time, and implementing access control and information security.

For a relatively small company, MIOL has complex business processes. A typical "small company" solution would not suffice. After a detailed analysis of existing IT solutions, MIOL decided that the SAP® ERP application did the best at meeting all its objectives. An important factor in making this decision was the fact that SAP software is constantly evolving and improving.

"Our corporate motto is 'In Pursuit of Excellence.' It was in line with that motto that we chose SAP ERP"

Olga Levitskaya, SAP Implementation Project Manager, MIOL Company



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Automating key business processes

MIOL selected Incom Company as its implementation partner because of its experience implementing SAP solutions and its proposal, which met all requirements including price and quality criteria. MIOL was impressed that Incom has been a partner of SAP Ukraine for 10 years, recently achieved SAP partner silver-level status, and has a record of more than 20 successful SAP software implementation projects. This gave MIOL confidence that Incom could perform all the necessary work independently, finish on time, and meet all expectations and requirements.

The project included:

- Organizational training
- Team training
- Conceptual design
- Implementation
- Pilot production

During the conceptual design, MIOL and Incom performed a detailed analysis of all existing business processes. Incom's insights helped improve the quality of the management accounting that MIOL uses for decision making.

The implementation of SAP ERP took about nine months and was followed by the pilot phase during which MIOL kept records in both SAP ERP and the legacy system. When the pilot phase concluded successfully two months later, MIOL decommissioned the legacy software and moved fully onto SAP ERP.

The team implemented the application's finance and controlling, materials management, sales and distribution, and production planning functionalities. Information access levels were developed and implemented, and a team within MIOL was created to support and perform ongoing development of the SAP software.

“All scheduled project tasks were performed within the specified time. I'm sure this is the result of effective collaboration between the MIOL and Incom teams.”

Olga Levitskaya, SAP Implementation Project Manager, MIOL Company



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Achieving all objectives in full

Now that MIOL is using SAP ERP to run its business, it has seen the following benefits, among others:

- Increased business process efficiency
- Increased transparency of the business
- Flexible reporting
- Improved data security
- The ability to monitor the efficiency of employees' work

When customers place orders with MIOL, these orders are 55% more likely to be completely fulfilled from stocks because of the improved visibility into

inventory provided by SAP ERP. Items spend an average of 15 fewer days in inventory because the company is doing so much better at anticipating demand in manufacturing. Items ordered by MIOL are delivered an average of 15 days sooner than previously due to more intelligent supply chain management. MIOL, once worried about important business information getting leaked outside the company, is no longer concerned because all its data is now held centrally in a single solution that operates under strict controls.

KEY BENEFITS**55%**

Increase in customer satisfaction

-15 days

Order-to-delivery time for incoming goods

15 days

Reduction in inventory turnover

0%

Corporate data leakage



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Aiming for even more with SAP software

MIOL has ambitious plans for expanding its use of SAP software in the future. The company plans to evaluate the need to introduce additional SAP ERP functionality as well as the SAP Customer Relationship Management application and software from the SAP BusinessObjects™ portfolio of solutions.

MIOL's internal implementation team has achieved a great deal of proficiency with SAP applications, which allows it to successfully implement and support them within the company. In the future, in a broadening of MIOL's business offerings, this team plans to use its experience in SAP solution implementation for other companies by providing them with system integration services.

