

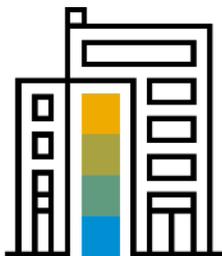
BEST RUN AWARDS FOR SEA

MAKING THE WORLD RUN BETTER
2021

SATS Ltd.

Project Finesse





Company Information



Headquarter	Singapore
Industry	Travel services and food catering
Website	sats.com.sg

SATS is Asia's leading provider of food solutions, gateway services and passenger services for customers and stakeholders including but not limited to food service chains, institutions, airlines, airports and government entities globally. With business presence in 55 locations over 14 countries across Asia Pacific, UK and the Middle East, SATS has approximately 11,000 employees worldwide. As of 29 Nov 2021, SATS' has S\$4.5 billion in market capital. Within Singapore, SATS is the primary ground handling and in-flight catering service provider at Changi Airport and controls about 80% of the airport's ground handling and catering business.

In the recent pandemic, SATS has been pursuing sustainable food sourcing and distribution methods for alternative protein for consumers by partnering with food tech start-ups. The firm also invested in cargo terminals in Riyadh and Jeddah and set up new central kitchens in Tianjin, China and Bengaluru, India. SATS recently acquired a large-scale food production facility, Food City in Thailand to continue to augment its non-travel related revenue streams.

The Pivot



SATS Ltd

Most Adaptable Award

“Quote”

The past two years have been fraught with uncertainties in international travel and the food business – globally and locally in Singapore. Finesse has remained **steadfast** and persevered through the many changes and complexities. We flexed with the decisions made to cater to the business; we flexed with our tactics to ensure no show stopper; we flexed with our resources deployed to ensure a consistent A-team.

*Manfred Seah
Chief Financial Officer
SATS Ltd*

Challenge

The lack in visibility on cost-to-serve was fuelled by capability gaps in the organization for cost capture and profit analysis. Processes and data structures across SATS were also disparate and largely unstandardized. SAP ECC was reaching end-of-life and was becoming more difficult to maintain. As a result, it proved costlier for SATS to scale its operations due to the extensive customizations.

Solution

With SAP and Accenture, SATS embarked on the Finance-led Project Finesse to build a strong scalable ERP foundation. With SAP S/4 HANA as its digital core, the solution enabled SATS to adopt standard SAP functionalities to harmonize common processes across BUs, enabled new rich functionalities to capture cost and profitability supported by lean and clean data structures. One common technology platform is critical to providing a ‘single source of truth’ across the BUs.

Outcome

The transformation provides better insights and financial visibility to accelerate decision making by leadership. Harmonized processes and data structures contribute to enhanced governance and compliance with control points in place. With ‘one source of truth’ powered by a single, future-proof technology platform, Finesse enables more efficient integration with business operations to augment its supply chain capability and analytics. Additionally, enhanced user and customer experience is possible through the refreshed ways of working.

900 End Users Trained and Onboarded

>250 L3 Business Processes

> 8500 UAT Test Cases



Partner Information

Accenture

Implementation Partner

Quote from the Partner

Finesse is much more than just a SAP upgrade. It is a **total transformation** for SATS – its people and its ecosystem partners, including many of the organization’s stakeholders in the food and travel services industries. Finesse has been a fundamental **mindset change** for the organization to position itself for growth and scalability. The November business Go-Live is not an end in itself, but actually the start of a journey that can now be sustained, allowing SATS to continually scale to the new with the reopening of borders and businesses in the region in the ‘never normal’. Overall, it is a capability uplift for the long haul. The Finesse implementation spanned across a few years from pre-pandemic to the now-endemic. In between, we have been intertwined with SATS to weather the storm and have been part of their executive decisions to transform and pivot. Partnering closely with SAP, we value our fraternity with SATS, and we look forward to more shared growth.

Irene Chan, Client Account Lead (SATS)



Business Challenge and Objectives

Overall, SATS was experiencing low visibility on cost-to-serve, owing to gaps in capability to capture cost data points and for profitability analysis. Business processes across the organization were large unstandardized and data structures were disparate and disharmonized.

Its SAP ECC ERP was aging rapidly and had been overly customized over the years, experiencing legacy issues from the SIA system. The system 'landscape' was getting more cumbersome and the ERP was getting more difficult to maintain, giving rise to roadblocks for technology to scale.

In addition, integration with other applications or platforms proved challenging with aged user interfaces.

SATS aspired to pivot and scale, but its existing technology structure was not in tandem.

SATS needed a strong scalable ERP foundation to transform for the future urgently by: (a) enabling a flexible operating model to support its business priorities; (b) accelerating the achievement of operational efficiencies and visibility of its financials; (c) enhancing its overall digital capabilities to meet critical business needs.

The digital transformation would enable SATS to realize its ambition: To become an APAC market leader in aviation catering and ground handling and a leading central kitchen for APAC's food service industry. This is achieved through these strategic priorities:

- Consolidate APAC aviation catering market with **digital supply chain**
- Consolidate APAC air cargo handling market with **digital cargo platform**
- Become a leading central kitchen supplier to food service industry in China and India
- Develop **digital travel retail** capability for passengers



Benefits & Outcomes

BUSINESS / SOCIAL

1. Accelerated leadership decision making via cleaner, transparent data and insights enabled (e.g. true cost of production)
2. Improved synergies between disparate entities or BUs (e.g. harmonized ways of working between Aviation Catering and Singapore Food Services (SFS) within the Food Solutions division)
3. Stronger governance and legal / IRAS compliance with structured FOAL in place in one system (for finance approvals), standardized business processes and segregation of duties in roles
4. More efficient production and supply planning and tracking of wastage – with introduction of standard process to capture Production Orders across Food business
5. Standardized and equitable management of ecosystem partners (e.g. standardized request submissions of airline customers)

IT

1. Enhanced Quality Management through the management and consolidation of master data objects, supported by Master Data Organization and BU (e.g. quality inspection process and status will be more accurate via inspection lots)
2. One 'single source of truth' providing consistent data to users (e.g. profitability reporting) enabled by one common SAP platform across businesses
3. Elevated IT business partnership role by enabling more value-adding opportunities: from operational / troubleshooting to advisory
4. Sustained digital capabilities vis-à-vis a clearer, more strategic technology roadmap and reduced need for unnecessary customizations
5. Reduced overall cost to serve and IT overheads

HUMAN EMPOWERMENT

1. Enhanced user and employee experience with reduction of manual forms and offline processes (e.g. one-click access via Fiori app for ground personnel)
2. Improved clarity in roles and responsibilities with structured role allocation to the users driving formalized business roles
3. Individual capability uplift as users are elevated to perform more strategic tasks (e.g. invest time to ensure quality of inspection results, rather than manual work)
4. Improved staff's accountability to internal stakeholders with accurate, consolidated reports made available to users
5. Stronger ownership of business users over the Purchase Requisitions (PRs) they will create; better quality PRs and traceability of purchases are expected

References

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