



ASP PLASTICS

ASP PLASTICS ACHIEVES GROWTH WITHOUT EXTRA STAFF – STREAMLINES THE BUSINESS PROCESSES WITH SAP BUSINESS ONE SOFTWARE

QUICK FACTS

Website

<http://www.asplastics.com.au>

Key Challenges

- Existing back-office applications were outdated, inflexible and unable to interface with the company's manufacturing system
- The system was difficult and expensive to maintain
- A new system was needed to provide a platform to support long term future growth

Project Objectives

- To replace existing disparate applications with new fully integrated software that could better support the company's key business activities

Solutions and Services

- SAP Business One

Why SAP Solution

- An effective demonstration of the product showed that it fulfilled all of ASP's software system requirements
- SAP's reputation provided ASP with confidence that ongoing support would be constantly available throughout and beyond their software transition period

Implementation highlights

- Project was completed within five months and delivered on budget with minimum disruption to the day-to-day operations of the company

Key Benefits

- Significantly easier access to key business information
- Reduced administrative overhead expenses
- Cost-savings through interfaces linked to their manufacturing system
- More responsive to movement in costs drivers

Previous Environment

- Scala ERP and separate manufacturing applications (off the shelf)

Hardware

- Dual-processor Intel Xeon server

Database

- Microsoft SQL 2005

“As we'd expanded, it had become increasingly cumbersome and expensive to maintain. We'd reached the stage where we were growing at around 30 per cent per year and it simply couldn't keep up. We ended up with people working for the IT system instead of the system working for us.”

Mr. Paul Brennan, Chief Executive Officer,
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Product manufacturing is a complex process, and when one company operates in segments as diverse as healthcare, food packaging, gaming, water filtration, electronics, sporting, defence and mining, the complexity is greatly magnified.

Australian manufacturing specialist ASP Plastics delivers a broad range of products to customers in each of these segments, using state-of-the-art facilities at its headquarters in Western Sydney. Delivering custom products for specific orders, the company can provide everything from syringes and water purification equipment to packaging and hand grenade casings.

Since starting operations in 1973, ASP Plastics has grown to the point where it has more than 100 staff servicing the needs of customers in 39 countries around the world.

Challenges posed by an inflexible IT infrastructure

As the company experienced growth, increased pressure was placed on the IT infrastructure. As well as using a complex computerised control system for its manufacturing plant, ASP Plastics also had an early version vintage ERP system that struggled to adequately support back-office and administrative functions.

It became apparent that the dual-system approach was causing inefficiencies and putting constraints on future growth.

Information had to be entered into each system separately, increasing the likelihood of mistakes. It was also difficult for management to have an up-to-date and complete picture of the status of orders, manufacturing runs or company financials.

“We’d had in place a Scala software system for more than 10 years,” said chief executive officer, Paul Brennan.

SAP Business One selected for functionality & support

After discussing specific requirements with technology partner Evolution Future Solutions, it seemed likely that SAP Business One had the capabilities needed to provide the functionality and support the company was seeking.

However there were two strict criteria that any new system had to meet:

- First, it would have to be able to integrate with the existing manufacturing control system
- Second, it was required that the system would be able to accommodate the company’s complex costing matrix, which was used to generate customer price quotes

Brennan said Evolution examined both requirements and explained how SAP Business One could meet them. A middleware layer was devised that could sit between SAP Business One and the manufacturing system, allowing data to instantly and effectively flow between both systems. Then the algorithms needed for the costing models were created and interpreted directly into the SAP application.

“Anything we threw at Evolution they were able to come back with an answer,” he said. “As a result, we made the decision to go with a full SAP Business One implementation.”

The teams then worked together to examine all internal processes of the business to determine changes needed to enable ASP Plastics to take full advantage of the new software features. Brennan said the decision was made to alter the processes to suit the new software rather than the reverse. This way, maximum benefit could be extracted from the software without the need for major customisations.

Immediate business benefits

The rollout of the software, including the detailed requirements study and



“SAP Business One has done more than simply improve company efficiency – it has actually helped to change the culture of the organisation.”

Mr. Paul Brennan, Chief Executive Officer, ASP Plastics

business process review, took five months and culminated in a “big bang” switch over to SAP Business One. Brennan advised that the implementation process could have been completed even faster, however a decision was made to wait for an upgrade of the manufacturing control package.

“On the day of the change over, within half an hour we had everyone running on SAP,” he said. “At first I cant say they all loved it - because everything was different, but after a short period all staff were feeling pretty comfortable.”

One of the biggest changes has been that all employees now have direct access to the data they need to complete their jobs. With a PC on each desk, customer details and the status of manufacturing runs can be instantly checked, allowing more efficient use of time.

“We have people who would never have touched a computer before because they saw them as unfriendly and hard to use. Now they each have one on their desk and are making business decisions based on the information provided by SAP Business One.”

Reduced data entry saves time and eliminates mistakes

Where previously data would have to be keyed separately into the administrative and manufacturing systems, it now needs to be entered just once. This has significantly reduced the chance

of mistakes and reduced labour hours for various work.

The sophisticated cost modelling used by ASP Plastics has been significantly streamlined by SAP Business One. Complicated products that could easily have taken two hours per component to quote can now be quoted in just a couple of minutes using the system algorithms.

Reporting and sales analysis has also improved. Previously administrative staff would have to read data from a computer screen and then retype it into an Excel spreadsheet, often taking more than a day. Now reports can be compiled in less than 30 seconds.

Month end reporting is easier than ever

“Our old system was also very unwieldy when it came to month-end procedures,” said Brennan. “We had to force a month-end on a Friday so we had time to get everything done. Now we can close on whatever day the month ends and do it very quickly.”

The company’s order processing procedures have been dramatically improved, due to the ability of SAP Business One to drill down into detail. Staff can now see what a customer ordered previously, when it was delivered and what price was paid.

A series of automated alerts have also been set up to control price setting.

If pricing on an order falls outside a preset target range, it is flagged directly to a senior manager who can then determine whether the order is okay to proceed or make authorised adjustments.

“At any point in the day you can see where we are at in terms of invoices issued and payments received,” said Brennan. “Under the old system, administrative costs were growing at the same rate as the business - that’s no longer the case.

Achieved 40% growth with no extra staff increase

If you look at our business from July 1 to December 31, 2007, we grew by around 40 per cent compared with the same period in the previous year. Thanks to SAP Business One, we have achieved this with no increase in staff headcount.”

“Because staff are accessing a larger amount of information more easily, they have become more involved in the management of the business,” he said. “They’re beginning to think more commercially as they can see what difference their actions actually make. It’s very powerful.”

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Implementation Partner



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