

**SAP® ERP
Success Story
Home Appliances Industry**

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Mr. Sunny Chai
Managing Director
Fook Tin Group Holdings Limited



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福田集團控股有限公司

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For today’s fast-growing companies, the international arena offers unprecedented business opportunities. Yet the pressures of globalization also create a critical need for new management strategies. When Fook Tin Group Holdings Ltd. realized it needed to create new efficiencies in its global supply chain, it turned to SAP.

Since starting business in 1963, Fook Tin Group Holdings Ltd. (Fook Tin) has rapidly expanded into a multi-national conglomerate, and now operates subsidiary companies throughout Europe, North America and Asia. Indeed, Fook Tin is recognized as a market leader in the provision of high quality weighing solutions for global customers, including commercial and industrial users.

As the company has grown, however, its supply chain has also grown into a highly complex system that now spans the globe, making supply-chain management a challenging task. To maximize efficiency and support future cycles of growth, the company desperately needed to integrate the operations of its subsidiary companies worldwide.

AT A GLANCE

Company name

Fook Tin Group Holdings Ltd.
(<http://www.fooktin.com.hk>)

Industry

Home appliances industry

Key Challenges

- To establish a centralized operation platform to integrate and automate all business processes for effective collaboration and information sharing among departments and regional offices
- To provide tailor-made reports and analysis for management’s decision-making and strategy development
- To build a stable and flexible ERP platform for achieving the company’s globalization strategy and future business growth

Solution and Services

SAP® ERP Modules:

- Finance and Controlling (FICO)
- Material Management (MM)
- Sales and Distribution (SD)
- Production Planning (PP)

Implementation Highlights

- Fast deployment within 6 months
- Great management support with clear direction, guidelines and instructions
- Involve more than 200 users in Hong Kong and Mainland China.

Key Benefits

- The management cockpit provides real-time, tailor-made reports and analysis at for authorized employees, enabling them to make decision and business strategies in parallel with actual business needs anytime, anywhere
- Centralized information and data from factory, departments and regional offices provide enhanced transparency and visibility of Key Performance Indicators (KPIs) and corporate objectives.
- Automated business processes simplify workflow and improve operational productivity with better allocation of resources and reduced operational costs
- The new SAP system has built a solid foundation for the company’s globalization strategy by expanding the system to other subsidiary companies in Europe.

Hardware

- HP Integrity Server

Operating System

- Microsoft Windows 2003 Server Enterprise Edition
- Microsoft SQL Server

Globalization - the key to growth

“We’ve rapidly expanded into a multinational company in the past two decades,” said Mr. Sunny Chai, Managing Director of Fook Tin Group Holdings Limited. “Today, we directly and indirectly operate in more than 80 countries worldwide. This global presence has taught us that the key to international success is to integrate workflows across multiple operations - including offices, distributors, partners, and manufacturing sites - in order to maintain our competitiveness and minimize our overall operating costs.”

Whether it’s to seize new business opportunities or reduce production costs, internationalization brings unique challenges to any business. For companies such as Fook Tin, this process of globalization can dramatically increase the complexity of supply chains, and create numerous business and technology challenges.

“We knew that a well-developed ERP system was a mission-critical component of our globalization strategy,” explained Mr. Chai. “We wanted a global ERP system that could provide a single platform to integrate all our business units, automating the entire business process in a highly efficient and flexible way. By implementing the proper ERP system, we knew we could enable effective collaboration and information sharing among our department and regional offices. From a managerial point of view, the ideal system could also provide tailor-made reports and analysis to support decision-making and strategy development. In this way, it would become an indispensable tool for us to handle, manage and respond to business and technology issues, while also providing a stable and flexible platform for future business growth.”



SAP - A name to trust

When Mr. Chai was considering the deployment of a world-class ERP system, the first name that came to mind was SAP.

“SAP is the top choice for ERP,” said Mr. Chai. “It’s well known that SAP is a leading provider of global ERP solutions. Many big corporations and multinational organizations run their operations on SAP platforms, so we believed SAP was a reliable brand that could be trusted.”

However, to ensure that they made the right choice, Fook Tin’s management team began reviewing all appropriate ERP systems, judging each system against demanding criteria.

“It had to be a world-class system that provides a comprehensive, reliable, and highly flexible solution,” said Mr. Chai. “Our goal was to establish a corporate-wide platform that wouldn’t just enhance collaboration among management, local departments and regional offices, but also, optimistically, to integrate our entire operations with subsidiary companies and customers around the world.”

“After closely studying the functionality, flexibility, manageability, reliability and price of various world-class ERP systems, we knew that SAP was the right choice.”

Mr. Sunny Chai
Managing Director
Fook Tin Group Holdings Limited

With 35 years’ experience in implementing ERP systems for multinational organizations in many industries, SAP is able to draw upon a wealth of best practices for different business and operational environments, ultimately enabling highly tailored solutions that cover all areas of a supply chain. Today, SAP has some 25 proven industry solutions that are ready to deploy, all of which have been developed through intensive testing and evaluation, and all of which have been successfully implemented worldwide.

Driving business to new heights

In mid-2006, Fook Tin started to install its new ERP engine in its Shenzhen and Hong Kong operations. In total, five major SAP modules were implemented, including Sales and Distribution (SD), Material Management (MM), Production Planning (PP), Finance (FI) and Controlling (CO). With the full support of its management team, Fook Tin successfully implemented all SAP modules in less than seven months. The system went live in January 2007 and is now supporting more than 200 users.

Naturally, the implementation was complicated and involved many different departments in both Hong Kong and Mainland China. That's why Mr. Chai understood the need for management to be supportive of the project.

"During the half-year deployment period, no matter how busy we were in our regular businesses, we had a weekly meeting with our IT team to review the status of the implementation," said Mr. Chai. "In this way, we were able to provide clear directions, guidelines and instructions, and make sure the IT team was on the right track.

"We dedicated extensive resources, manpower and time to deploying the system because we always believed that, with the SAP system in place, we could create an intelligent management engine that would not only improve the interoperability and efficiency of our supply chain, but also provide visibility and logics that help the management team respond to the market more swiftly. By helping us develop future business plans more effectively, the SAP system is helping the company soar to new heights of success," continued Mr. Chai.



Enhanced transparency boosts management efficiency

Since the deployment of Fook Tin's SAP system, the feature that Mr. Chai has come to appreciate most is the management cockpit that places all relevant information at the fingertips of authorized employees.

"The management cockpit provides high flexibility and convenience of generating real-time, tailor-made reports and analysis, giving me a full picture of the company's situation anytime, anywhere and allowing me to develop appropriate business strategies in parallel with actual business needs. As the pilot of this company, the management cockpit is mission-critical to help me expand our business."

Mr. Sunny Chai
Managing Director
Fook Tin Group Holdings Limited

In Mr. Chai's instance, SAP centralizes information and data from Fook Tin's factory, departments and regional offices to provide enhanced transparency and visibility of Key Performance Indicators (KPIs) and corporate objectives.

"It provides accurate, up-to-the-minute data for analysis and decision making," Mr. Chai continued. "For example, I can pre-set the system to alert me through SMS or email if revenue does not reach the sale target. This means I can immediately react by changing our sales strategies or marketing plan."

Automated workflow reduces operational costs

SAP also provides a dynamic integrated platform to automate Fook Tin's business processes. This simplified workflow improves operational productivity through better allocation of resources.

"It shortens transaction time and costs, and reduces the manpower needed in daily operations," explained Mr. Chai. "Now, we can eliminate wastage with improved utilization of resources and significantly reduce our operational costs by cutting labor and increasing efficiency."



Dynamic platform supports long-term business goals and growth

Indeed, the company's deployment of SAP technology has proven to be a crucial step in the globalization of its business. Building on this success, the company is now planning to expand its SAP platform to its other subsidiary companies such as Terrailon S.A.S., Hanson (U.K.) Ltd., and Scaime SAS (France).

"Our ultimate goal is to leverage the resources, information and transactions within our group, synchronize our worldwide EDI system and enjoy the full benefits that a global ERP system can deliver," said Mr. Chai. "Looking ahead, we're driven by the vision to maintain our leadership in the consumer weighing market by providing cutting-edge product innovation and design, as well as expanding our business to new markets. With SAP's strong background, advanced technical know-how and more than three decades of experience, I firmly believe it can support our business goals and growth, not only for today but also long into the future."

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