

SAP Customer Success Story

"Our old ERP system was cumbersome and slowing us down. We needed a solution that could keep up with our business growth and help to drive it. So we decided to look for a long-term ERP partner which could offer us higher flexibility and scalability. We found this in SAP, a partner that can expand as we do. "

Raymond Leung
Vice President, Operations



AT A GLANCE

Company name

Hayco Manufacturing Ltd.

Industry

Manufacturing Industry

Employees

7,000 employees in Hong Kong and China

Business Performance

Received 25% annual sales growth in the last 5 years

Key Challenges

The old system could not meet the needs as business continued to grow:

- Faster response to the market
- Improved efficiency to further reduce company costs

Implementation Partner

Oasis Consulting Group

Solution and Services

- mySAP™ ERP (Enterprise Resources Planning)
 - Financial and Cost Controlling (FICO)
 - Material Management (MM)
 - Sales and Distribution (SD)
 - Production Planning (PP)

Implementation Highlights

- Employees made concerted effort to lead to the success

Key Benefits

- Powerful data analysis – 3-dimension data analysis
- Realized the production capacity planning that was not available in the past
- Optimized cross-functional business process and enabled comprehensive collaboration
- Reduced IT complexity while supporting scalability and growth

Hardware

HP DL350 Server

Operating System

Microsoft Windows 2000, SQL Server 2000

HAYCO MANUFACTURING LIMITED

mySAP™ ERP system provides powerful data analysis capability that help management to make timely business decisions.

Hayco manufacturing Limited is one of the world's leading manufacturers of state-of-the-art houseware and cleaning products. With more than 100 years manufacturing experience, Hayco today distributes its products globally with a production capacity of 120 million items per year. Its customers include Procter & Gamble and 3M.

One of the key differentiators of Hayco from its competitors is its innovative ideas and design experience. The company has over 120 engineers in its R&D facilities and is continually investing in cutting edge technologies to help customers bring creative ideas quickly to the market. Although Hayco is selling products in China and the U.S. under its own brand, over 60% of the company business is Original Design Manufacturing (ODM).

Originally a family brush ware business, Hayco was set up in southern Australia by Mr. William Ellis Hay in the 1890s and shortly after entered into the China market in the 1900s. In 1983, Hayco manufacturing also established operations in Hong Kong and Taiwan.

Today, Hayco has expanded its product line from household cleaning products, brushes, to electrical equipment including electronic toothbrushes and electric floor cleaners. The company believes that the innovative product lines, such as Swiffers, will be a high potential growth area in the future.

SUSTAIN ITS COMPETITIVENESS

Faster response to the market has been a key challenge for many industries, particularly for consumer products. With the ever-changing consumer demands, Hayco needed to shorten its product design and production cycle by 50% -- from a year to five to six months.

Another challenge for Hayco is raising its overall efficiency, which ultimately affects the total cost of the company. Before implementing mySAP ERP, Hayco was using BAAN, another ERP system. It is a system that companies need to rent a server and pay on a per-user basis. However, as the company continued to grow, the company found that the old system could no longer fulfill its business needs and the cost of using the old solution was increasing.

Hayco needed to find a new system that could improve overall business operations and help the company sustain its competitiveness in the market. "We needed a business solution that can expand as our company grows, and can provide more functions and features to fulfill our long-term business planning," said Raymond Leung, vice president, operations, Hayco.



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*Raymond Leung
Vice President, Operations
Hayco Manufacturing Limited*

BENEFIT FROM mySAP ERP SYSTEM

Hayco started implementing the mySAP ERP system in August 2004 and the system has been running since May 2005.

Hayco's mySAP™ ERP system includes MM (Material Management), SD (Sales and Distribution), FICO (Financial and Cost Controlling) and PP (Production Planning) modules. This solution provides an integrated technology platform to improve the visibility and accuracy of data, leading to more consistent reporting.

"Our old system had many limitations when we would generate reports. For example, the lack of data integrity and ability of finding data sources complicated the reporting process and affected the accuracy of the data," said Wanald Wun, financial controller, Hayco.

"From a financial perspective, mySAP ERP system is a very powerful data warehouse. It provides higher data integrity and enables 3-dimension reporting," Wanald added. "We can now easily refer to the raw data when we need to. It allows more flexibility in production and cost planning. Having the availability of both cost and profit centers, it significantly reduces the data errors and provides more accurate information for decision making."



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Financial Controller
Hayco Manufacturing Limited*



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*Ricky Lai
MIS Manager
Hayco Manufacturing Limited*

Realization of Production Capacity Planning

Another key benefit brought by SAP was the availability of capacity planning. As a manufacturing company, capacity planning is important to allow companies to do business more effectively and efficiently. In the past, Hayco needed to manually input the data and manually adjust the plan in the old ERP system. This manual system did not allow the company to see the current production capacity of its manufacturing facilities. However, with the deployment of SAP, Hayco now has a very powerful tool for real-time accurate capacity planning. Hayco can now respond to customers faster with shortened production lead time, online real time inventory, ordering and production status data.

At the same time, errors are minimized and time is saved because data entries do not have to be duplicated as they were in the past. "Now, our management can have a true picture of our production capacity. We can plan ahead on the orders that we receive. The new system not only improves our response to market changes, but also continues to align our operations with market demand, thus ultimately reducing costs and increasing revenue opportunities – overall, we now have better business transparency," said Ricky Lai, MIS manager, Hayco.

Customers Are Using SAP

SAP is a system that is used by many large companies globally. Hayco's customers already have SAP in place. "Our key customers are using SAP. This is another reason that we chose SAP as our ERP system," said Wanald Wun. "We believe it can ease the IT complexity of any possible integration with our customers in the future."

EMPLOYEE LOOK FOR A BETTER SYSTEM

Different from other companies, the "employees" were one of the key drivers for Hayco to implement the new ERP system. "We received requests from the users (employees) that the old system could no longer fulfill our business needs as the company continued to grow. Therefore, they urged our management to look for a better system that can provide more functions to improve our planning and reporting processes," said Raymond Leung. "After reviewing different ERP systems, we decided to use mySAP ERP."

"Not only is mySAP ERP a cost-effective solution, compared to other ERP systems, it can provide more and better functionalities – for example, the strong and powerful data warehouse," said Wanald Wun.

Throughout the implementation and training process, Hayco employees made concerted efforts to ensure the success of the project. "Since this is a system requested by our employees, as management, we found that they were very committed to the implementation of the new system. They were more than willing to take time after work and on Saturdays for training," said Ricky Lai.

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Financial Controller*



LOOKING FOR A LONG TERM PARTNER

Deploying an ERP system is a long-term project. In the selection process, Hayco was looking for more than a system. It was looking for a company that is committed to the market and that could be a long-term partner for Hayco.

"There have been many acquisitions in the market recently. We were not confident in these companies because we were not sure their systems would be supported by their new parent company," said Ricky Lai. "Therefore, we looked for a company that we believed could provide support to our solutions in a long run."

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