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Zuo Weilong, Senior Information Engineer, TWS Industrial (Holdings) Limited

AT A GLANCE

Summary

TWS Industrial (Holdings) needed a solution that could control and manage implementation scope of its SAP ERP project effectively, optimize processes and accelerate return on investment. It found what it was looking for in SAP Best Practices.

Website

- www.tws.com

Key Challenges

- Manual processes prevented finance staff from providing accurate and timely business data and analysis for decision making
- Product cost control was a long-drawn and tedious process
- Thinning profit margins and short product lifecycle

Project Objectives

- Standardize and streamline business processes in order to speed time-to-market, reduce operating costs and identify opportunities for growth

Solutions and Services

- SAP® Best Practices, SAP modules include Financial Accounting, Cost Accounting, Sales and Distribution, Production Planning and Materials Management

Why an SAP Solution?

- Tested and widely used by other manufacturers in the market

- It is a culmination of industry best practices SAP has gleaned from more than 30 years of working with various industries and companies
- Ensures that process design for the new SAP ERP system closely resembles actual operations

Implementation Highlights

- Implemented within four months

Key Benefits

- Prevents both consultants and TWS from misunderstanding each other, especially in the area of how the system should operate
- Enables consultants to quickly build a visual prototype of the enterprise system for testing
- Accelerated the learning process, reduced implementation work volume and project risks
- Serves as a two-way communication platform to express project requirements and changes

Implementation Partner

Hanpu Ltd

Database

SQL Server

Hardware

IBM

Operating System

MS Windows 2000

TWS INDUSTRIAL (HOLDINGS) LIMITED

SAP® Best Practices Supercharges TWS Industrial (Holdings) Limited's ERP Project to a Perfection

TWS Industrial (Holdings) Limited may be a young company but the achievements of this high tech enterprise are by no means small.

Established in 1998, TWS manufactures batteries and accessories for mobile and cordless telephones, and hand-held video cameras. In 2004, its R&D and commercial production facilities in Guangzhou, China, produced goods of close to 1 billion yuan in value. Their customer footprint has also expanded far beyond domestic shores into Europe, America and Japan.

However, as the company's operations expanded, certain dormant internal problems at TWS started appearing.

The task of managing its accounts was getting increasingly arduous due to limitations of legacy operating procedures. For instance, finance personnel were bogged down by manual auditing and balancing work, which compromised data accuracy and left very little time to create timely business data and financial analysis for decision makers.

Product cost control was also a long-drawn and tedious process for this mid-sized manufacturer as the management of production data was manual-based. Staff's productivity



were affected as a result since they had to personally handle a variety and huge amount data that came from changing customer requirements, production planning, managing excess inventory, alterations to production plans and stock format, urgent production orders and movement of materials. Furthermore, data accuracy could not be guaranteed and this system lacked data transparency.

Moreover, as a battery producer, TWS had to deal with thinning profit margins and short product lifecycle as technology changes at an extremely rapid rate. This required a standardization and streamlining of business processes in order to speed time-to-market, reduce operating costs and identify opportunities for growth.

In addition to leveraging enterprise resource planning (ERP) software from SAP to address TWS' pain points, management also deployed SAP® Best Practices in order to rapidly realize the benefits of the five SAP ERP modules.

They include Financial Accounting, Cost Accounting, Sales and Distribution, Production Planning and Materials Management.

LOW START-UP VERSUS LONG-TERM BENEFIT

After reviewing its challenges, TWS decided an adaptable enterprise management platform would be required to become a customer-focused organization. Specifically, the new system should improve its process management capabilities, eliminate and automate manual tasks, as well as enhance time-to-market and its abilities to manage risk.

Initially, TWS opted for ERP solutions from domestic software providers. Although the price points were attractive for a growing enterprise, the solutions were unable to integrate TWS' business processes from end-to-end. That was when management realized it needed to invest in a more advanced system. Although the initial investment cost would be higher,

it would be a more cost effective solution in the long run. Not only must the new enterprise system be capable of integrating all of TWS' business processes together, it should also require minimal or no development work or resources to implement and maintain. In addition, the company only wanted to work with a leading business software vendor who has solid customer references in the electronic assembly industry, and is a brand leader that has a broad and reliable range of applications and services.

USING ONLY THE BEST

TWS finally decided that SAP has the ERP solution it was looking for and SAP Best Practices the key that will ensure the

new enterprise system operates at the highest level. In particular, TWS wants to leverage SAP Best Practices to reduce project risk, deployment time and costs, as well as assist with establishing and executing strategies to achieve project objectives.

“We chose SAP Best Practices because it is a solution that is tested and widely used by other manufacturers in the market. We believe it can help enterprises control project implementation scope effectively, optimize processes and accelerate return on investment (ROI),” says Zuo Weilong, Senior Information Engineer, TWS.

Furthermore, SAP Best Practices is a culmination of industry best practices the business software leader has gleaned from more than 30 years of working with various industries and companies – from small businesses to global enterprises, adds Zuo. What convinced management was also the solution's ability to help them understand, visualize and design the SAP ERP solution to cover all of TWS' business processes.

Once the solutions were selected, TWS worked very closely with its implementation and consulting partner, Hanpu Limited, to provide intensive training to key end-users in the company. As the consultants could quickly build a visual

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prototype of the enterprise system for testing using SAP Best Practices, it hastened the learning process, reduced implementation work volume and project risks as a result. For TWS, this solution also made it easier for managers to propose and explain their operating requirements to Hanpu during the design phase. And by giving both TWS and Hanpu a two-way communication platform to express their requirements or changes, SAP Best Practices has ensured that process design for the new SAP ERP system closely resembles actual operations. This means TWS can be sure it has a stable IT infrastructure that is built specific to business needs right from the start.

BEST RESULTS WITH BEST PRACTICES

After four months of project development work, TWS' new enterprise management system went live smoothly on 25 January 2005 – all thanks to SAP Best Practices.

“Once the design blueprint was confirmed, modifications to the [new SAP ERP] system could be easily executed using SAP Best Practices,” says Zuo. “Any adverse effect on operations is thus minimized as the solution prevents both consultants and TWS from misunderstanding each other, especially in the area of how the system should operate.”

With the SAP ERP system up and running, and optimized according to TWS' needs, it is now serving as a centralized enterprise system that gives management a good overview of their business. In addition, it has standardized all business processes within each department. This creates a more streamlined and transparent way of operating, which minimizes business risk.

Manual tasks are also eliminated as a result. Not only has this accelerated the accounting process, it also ensures data accuracy. With business critical data easily available in real-time, it has sharpened TWS' ability to respond to market changes and customers' demands quickly.

Although management will need a longer time to evaluate the SAP solutions and the ROI gained after implementation, TWS is very satisfied with how the project has evolved so far.

In fact, it expects to see an overall reduction in operating costs and improvements to the overall ROI in the near future.

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www.sap.com/contactsap

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