

Sapphire Case Study: Lotte Chemical (UK)

History on customer name and background to the case

Lotte Chemical (formerly Artenius) were originally part of ICI, a large global company using SAP ERP, before they were divested and sold to Le Seda de Barcelona, a Spanish company also using SAP ERP. The company was then acquired by the Lotte Group, a large Asian company looking to grow globally.

Lotte Chemical was operating the legacy system, SAP ERP, but required a more flexible back office system appropriate for the size of the company, that could integrate with the SAP Business Suite solution in place at corporate level with Lotte Group.

Business Profile

Number of users:

- ▶ 20 Finance
- ▶ 4 Professional
- ▶ 23 Logistic
- ▶ 20 Typically logged in at any one time
– expected to grow to 35



Version used: SAP Business One 8.8

Sapphire customer since: February 2010

Cost saving with SAP Business One: £200,000 pa

Return on investment: 7 months

Sector: Chemical. Lotte Chemical manufactures and sells polyester intermediate PTA (Purified Terephthalic Acid) and PET resin for use in the packaging

“If you are looking to improve workflow, output of information and save time and money, SAP Business One from Sapphire has done exactly that for Lotte Chemical.”

Steven Trill
IT Manager for Lotte Chemical (UK)

The review process

The management team started looking for a system in January 2010. “We were bringing back employees and needed all systems to be in place and operational for the start of business on 1st April” said Stephen Trillo, IT Manager, who led in depth research into suitable solutions. “Even though SAP Business Suite was too expensive, I did speak to SAP as they have good systems. SAP Business One and Sapphire were identified as part of this research and through speaking to other users.”

SAP Business One and Sage were shortlisted with SAP Business One being chosen as it “ticked all the boxes for our requirements.”

SAP Business One...

- ...had more processes built in and the modules were more aligned with the sector - less add-ons needed
- ...covered all business processes required - off the shelf
- ...is quick to implement
- ...was less expensive
- ...is easy to integrate with SAP Business Suite as used by corporate headquarters
- ...has more flexibility around reporting

- ...is easy to use – especially in light of the fact that the team is experienced in using SAP Business Suite
- ...is an agile solution
- ...can be used out of the box, without major configuration
- ...is flexible enough to change with the company and can be changed and developed without major cost
- ...fits Lotte Chemical’s business model in terms of size
- ...has good integration links to other systems
- ...presented low risk of failure
- ...can be used in new operations in Europe as the company continues with acquisition
- ...is very user friendly and the drop down menus and drill-down arrows are easy to use

Stephen also added that “The ability to get info out of the system quickly and easily was a key feature for us. We were looking for a ‘future-proof’ system and with SAP Business One CRM (Customer Relationship Management) and dashboards are easy to activate and add too.”

Furthermore, at the time of implementation, it was unclear how the company would need to report in the longer term, so the capability to quickly and easily change reports set up was vital.

Why Sapphire was chosen as an implementation partner

During the initial phases of finding the right business solution Stephen was impressed by Sapphire. "The Sapphire team was excellent in terms of response, product knowledge and willingness to work to the tight time frame. We needed the solution had to be delivered in just twelve weeks. We were also reassured by the size of the company and felt that the Sapphire team were good with the product."

To deliver a functioning solution in twelve weeks was a massive challenge. Stephen said "We needed to be able to invoice, pay and effectively run a business. Not having the system in place was not an option and we had confidence that Sapphire would deliver. The team committed to ensuring that the deadline was met and demonstrated real determination."

Sapphire:

- Met the requirements outlined by Lotte Chemical
- Agile as an organisation
- Was able to deliver to a tight timeframe
- Provided a competitive quote, the cost of implementation and ongoing support was lower with Sapphire

"The knowledge and capability of the team was the best I have ever come across and their willingness to please customers is very refreshing" commented Stephen.

Lotte Chemical also had a requirement for a third party engineering solution to be integrated with SAP Business One. "Sapphire were very proactive and not only identified a solution – Infor EAM, but showed us how it would work with SAP Business One."

How is SAP Business One currently performing?

"We went live on 1st April as planned and have ironed out all teething issues" said Stephen, going on to say "SAP Business One is a very stable system and gives us the reporting time frame that we wanted. Month end is three times faster and less people are required to complete the operation. It used to take seventeen days with seven people working on it. It now takes just five days with five people working on it."

Benefits include:

- Improved reporting capabilities and functionality
- Full integration of business processes
- All data is in one place, it used to be in several applications, including spreadsheets
- No manual manipulation of data is required
- Flexibility to link to other systems which will facilitate future enhancements

Working with Sapphire

"The Sapphire implementation team was exceptional" stated Stephen. SAP Business One was implemented first, followed by Infor EAM. "No project goes without its problems and when these came up they were dealt with very efficiently. SAP B1 went ahead and was working on time, but we had a few issues with the EAM aspect but Sapphire was very good in supporting us and worked hard to minimise the impact. It was easy to get the right people involved, including the Technical Director who came in to see us and Sapphire made sure that all problems were resolved."

Regarding the ongoing relationship with Sapphire, Stephen says "The service from Sapphire's Support Team is excellent. Sapphire is a very customer facing company: they take you seriously and give customers as much attention as prospects, which is refreshing. Sapphire is very easy to deal with; the company is agile and not at all beurocratic. Any one who picks up the phone when you call is ready to help you."

What's next?

SAP Business One is already integrated with Infor EAM and of course one of the reasons SAP Business One was such a good fit was the direct integration with SAP Business Suite at Lotte Chemical's parent company. "Looking ahead we will integrate with some other manufacturing systems. As the model has proved to be a success it will be used for further acquisitions in Europe too. The company is actively looking at new plants at the moment."

Return on investment and cost savings

"We are saving money, headcount and time with SAP Business One" stated Stephen. "Efficiency is difficult to measure, but having a fully integrated system has certainly had a positive impact on increasing our efficiency. Previously people worked late a lot, whereas now they are able to get the job done during regular hours."

- Lotte Chemical is saving money (£200,000 per year) on licence and operations since implementation of SAP Business One
- Month end used to take seventeen days; it now takes just five
- The system will pay for itself in around seven months in terms of savings made

Conclusion

Stephen finished by saying "I would recommend Sapphire for the team at the company. Everyone is very customer focused and driven to deliver the system the customer wants.

"If you are looking to improve workflow, output of information and save time and money, SAP Business One from Sapphire has done exactly that for Lotte Chemical."



For more information on SAP Business One please call our Product Advisory Team on 020 7648 2000.