

Sapphire Case Study: Anritsu



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Michael Spatny,
General Manager Anritsu EMEA



About Anritsu

Anritsu Corporation (www.anritsu.com) has been a provider of innovative communications solutions for more than 110 years. The company's test and measurement solutions include wireless, optical, microwave/RF and digital instruments, operations support systems and solutions that can be used during research & development, manufacturing, installation, and maintenance. Anritsu also provides precision microwave/RF components, optical devices, and high-speed devices for design into communication products and systems. Following its acquisition of NetTest in 2005, it has expanded its offering to provide complete solutions for existing and next-generation wireline and wireless communication systems and service providers. Today Anritsu Corporation has revenues just under one billion dollars and sells in over 90 countries worldwide with approximately 4,000 employees.

Background to the case and solution review

Anritsu's operations throughout Europe had been using a variety of different systems and a strategic decision was taken to move from operations being country-based to European-based – so that offices in all countries throughout Europe would use the same system.

Anritsu's head office in Japan use SAP R/3 and company guidelines are to implement SAP solutions. Michael Spatny, General Manager Anritsu EMEA, and his team looked into implementing SAP R/3 at Anritsu's European subsidiaries. It quickly became evident that a roll-out of SAP R/3 would be prohibitively expensive.

SAP Business One was put forward as another option to be considered and on review was deemed to be a more than suitable choice. Mr Spatny explained "When compared on price, implementation time and long-term product development it was deemed to be either better or on a par with the alternative. As far as we could ascertain SAP Business One was well placed and had the best mix of price and performance. Plus, it is an excellent fit for sales organisations."

SAP Business One is an integrated, affordable business management application. It's a single system that can automate critical business operations, including finance, sales, purchasing, inventory, and manufacturing. And it provides accurate, up-to-the-minute views of business data. SAP Business One is easy to buy, timely to install, and straightforward to use.

As well as complying with company strategy SAP Business One can be serviced and maintained centrally: another feature that made it a good fit for Anritsu.

Partner review

Once the decision had been taken to implement SAP Business One at Anritsu's European subsidiaries the next step was to find an appropriate implementation and integration partner. Five companies were considered before a shortlist of just two: Sapphire (UK) and IMG (Switzerland).

Mr Spatny said "We ultimately choose Sapphire because we felt that they had the most down to earth approach. They gave us realistic timelines and where other companies implied 'anything is possible' trying to make out that they were the best, it was Sapphire that were measured and realistic, which we appreciated; we were very satisfied with Sapphire's help and advice during the initial phase of identifying the right business solution. For us it was also an advantage that



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Sapphire has offices in the UK.” He concluded: “The combination of being an SAP product, Sapphire’s support and meeting our requirements made SAP Business One the best fit for us.”

Implementation

Sapphire implemented SAP Business One to Anritsu’s operations in the UK, France, Italy, Sweden, Denmark, Germany and Finland, as well as integrating it with their headquarters’ SAP R/3 solution. During the implementation Mr Spatny said “We were impressed with Sapphire’s flexibility and we got what we wanted. Sapphire’s Project Manager did a great job and the lead Sapphire consultant that worked with us provided an exceptional service – in fact, all of the consultants were very helpful.”

The roll-out of SAP Business One across Europe took just over a year and a half with Mr Spatny commenting “In my experience of projects and implementations of this size the time taken was a success and we were happy with the implementation.”

Benefits

Now that SAP Business One is in place Mr Spatny says it is performing well with around seventy people logged into the system at any one time. On ease of use he says “It is very handy, there haven’t been any problems training users and people are very satisfied.”

Mr Spatny illustrated some of the advantages of the SAP Business One implementation stating “We have been able to establish a best practice approach across Europe with the same procedures in place for each country. The reporting functionality of SAP Business One is very good – for example, I can now run a report on delivery times across the whole of Europe at the click of a button. It is possible to get the information and reports required quickly and easily.”

Of Sapphire Mr Spatny says “It is pretty easy to deal with Sapphire as an organisation; we’ve had no issues and are happy with the level of service that we receive from the Support team. Our own internal team is very strong as a result of the training that we have received too.”

Return on investment

A study was recently undertaken to identify the actual return on investment that Anritsu has realised to date as a result of the implementation of SAP Business One. The IRR (internal rate of return) was calculated at 24% with a payback period of 38 months. Average monthly benefits run to tens of thousands of Euros: €42,745.

IT maintenance cost reduction - Anritsu has seen a significant saving in maintenance costs for business systems since the implementation of SAP Business One. Now that there are no longer several maintenance contracts for number disparate systems the financial outlay has been reduced and efficiency is also improved.

Labour saving has provided a large percentage of the savings realised from SAP Business One. Anritsu is saving on headcount in general, covering both temporary staff and back up staff. Efficiency improvements in the IT and back office teams across EMEA means that there is no longer a need for IT subcontractors in every country. Consistency and harmonisation of the EMEA SAP Business One system benefits everyone.

Faster training - Staff will now have to learn how to use just one system; it has a common look and feel throughout, so staff will learn how to use it much quicker than the old legacy systems. This means that people can become more productive sooner and make a positive contribution towards revenue and profits sooner. Additionally, knowledge of this one common system is shared across all countries.



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Not only does the system allow faster training for new users, it also enables easy cross-training for existing members who may have initially had restricted tasks on the system and are subsequently required to broaden their responsibilities. Because of the similarity of tasks between modules, it is straightforward for an existing SAP Business One user to learn how to use other functions. This will increase the flexibility and responsiveness of all Anritsu's EMEA staff.

Improved revenue per customer - Anritsu expects as a result of the implementation of SAP, and based on experience to date, that it can contribute towards adding to the revenue generated from its existing customer base. This is expected to result largely from increased visibility over buying habits of its customers through the sales reporting functions in SAP and the ability to up-sell and cross-sell more effectively to these customers based on this intelligence.

Anritsu will also be able to easily identify which customer support contracts are due to expire. This will allow these support contracts to be renewed sooner and allow invoicing to happen for this in a timely fashion, thus increasing revenue and profitability. Additional monthly margin generated is thousands of Euros: €6,060.

Improved cash collection and reduced DSO (Day Sales Outstanding) - SAP Business One was used as a facilitator of a strong management drive to reduce DSO. It has been a useful common tool, giving transparency across EMEA on actions to be taken and has allowed cross border cooperation between all offices to tackle what has become top priority since implementation of SAP Business One due to the worldwide economic crisis. The improvements in the cash collection cycle have been analyzed by looking at the improved figures for DSO due to better and faster cash collection periods. DSO has been reduced by an average of 15 days and improved cash collection monthly savings are thousands of Euros: €7,471.

Reduction in stock holding - Reductions in stock holding have been achieved by better, centralised processing and visibility over EMEA stock requirements, as well as more detailed EMEA reporting. This allows swift reaction to inventory reduction needs and as a result significantly decreased Anritsu's stock holding in EMEA.

It is important to note that the transparency was provided by the fact that all data is stored in SAP Business One, a common format for all information to be stored. The consolidated visibility across EMEA offices was achieved thanks to reports created in-house by the Anritsu EMEA IT team from data held in SAP Business One; the added benefits are significant.

Conclusion

The implementation of SAP Business One to Anritsu's European subsidiaries has been deemed by the team to be a success. Significant savings have been made on cost, ease of use has facilitated user acceptance and having a unified system across all operations rather than a host of disparate systems means that informed management decisions can be made faster and more effectively than ever.

"We have already recommended SAP Business One from Sapphire to other organisations and are looking forward to our US operation potentially implementing it too" commented Mr Spatny, adding "It will be a real advantage for the entire Anritsu Corporation to use the same system and for other regions to benefit from SAP Business One as we are."