

SAP Customer Success Story Commodities Trading



“With SAP Business One, not only can we extract real-time information, we can also generate our own reports, anytime the management wants them.”

Ms. Selena Sun, Finance Manager, Wanxiang Resources (Singapore) Pte Ltd

AT A GLANCE

Company Name

- Wanxiang Resources (Singapore) Pte Ltd

Summary

Commodities trader Wanxiang Resources (Singapore) Pte Ltd needed to be able to control and generate its own financial reports, as and when it needed them

Key Challenges

- Inability to produce timely and consolidated financial reports due to outsourcing to a financial consultant
- Unable to pinpoint source of expenditure
- Inefficiency due to lack of standardisation
- Lack of up-to-date information resulted in inability to make effective decisions

Project Objectives

- Implement a scalable system
- Produce easily accessible and accurate reports of business status quickly

Solutions and Services

SAP Business One

Why SAP Solutions

- Well-known brand
- Provides scope to grow with company
- Enables company to adopt industry best practices
- Proven end-to-end solution
- Easy installation
- Not much customisation or enhancement required
- Strong industry knowledge of LANWorks, SAP channel partner

Implementation Highlights

- Implementation was completed within two months, went live after five days of testing

Key Benefits

- Access to more timely and accurate financial reports allow management to make correct business decisions
- Allows profit and losses, and expenditure to be managed better
- Established automated business processes for the company
- Information is instantly available and offers a single view of the company

Implementation Partner

LANWorks Pte Ltd

WANXIANG RESOURCES (SINGAPORE) PTE LTD

SAP Business One helps metal and oils trader to improve both financial and accounting transparency, and get accurate data for decision making

As an importer and exporter, it was critical for Wanxiang Resources (Singapore) Pte Ltd to ensure that business and financial information is smoothly exchanged and shared between its Singapore operations and its headquarters in China.

Established in Singapore since March 2005, the metals and oil trading arm of the Wanxiang Group, one of China's largest private enterprises, unfortunately didn't have its own financial system at the beginning.

“We actually outsourced our accounts and financial matters to a consultant, who then generated a monthly report – financial statements like profit and loss, and balance sheet – for us,” says Ms. Selena Sun, Wanxiang Resource's Finance Manager.

Their only requirement, when the office first opened was to only have a monthly report. This report would then be submitted to their China headquarters for consolidation.

However, there was still a lot of other information like expenses and sales data that the company could not retrieve from the consultant. And if the management had a meeting

and wanted a report to analyse their expenses, they were unable to do so as they could not get the latest, real-time information.

“As the prices of commodities vary quickly, and our biggest expense being labour and operating costs, it is critical that our management has access to such information. If not, they won't know how much they have spent on this area and this will affect their decision making,” says Ms. Sun.

Besides, a monthly report meant the information would be delayed and redundant, and could not be applied quickly to changing market conditions.

Branding and Rich Functionality

Wanxiang Resources wanted to have a system that was prestigious, with a well-known reputation in the market to match its parent company.

“We wanted a system that was easy to install, able to match our growth in business, and a consultant with good capabilities,” says Ms. Sun.

“That means when our business expands, and more users are added and if we want to integrate more modules, the system must be able to accommodate these changes,” she adds.

SAP stood out as the ideal solutions provider. More importantly, SAP Business One was exactly in line with Wanxiang Resources' requirements for its new system.

In addition, the company liked the commitment, knowledge and experience offered by LANWorks Pte Ltd, SAP's channel partner.

Extremely Fast Implementation

With disciplined management of the project time schedule and with minimal customisation, implementation of SAP Business One was completed in two months, and the system went live after just five days of testing.

Seamless integration of SAP Business One with the company's operating system meant it was up and running with minimal fuss in June 2006.

Says Ms. Sun: “We found we didn't have to make many changes to our existing practices. This made the implementation process relatively pain-free.”

“Besides, with SAP Best Practices, it actually made reporting simpler,” she adds.

“Before SAP, we had to wait for the monthly report, which could take up to a week for our outsourced consultant to generate. Now, I'm just a few clicks away from knowing exactly where we are at any time. This makes a dramatic difference and is something we wanted to achieve for a long time.”

Ms. Selena Sun, Finance Manager, Wanxiang Resources (Singapore) Pte Ltd

Instant Information

With SAP Business One, financial and accounting reports that previously took days to compile, are now accessible within minutes.

“Before SAP, we had to wait for the monthly report, which could take up to a week for our outsourced consultant to generate,” says Ms. Sun. “Now, I'm just a few clicks away from knowing exactly where we are at any time. This makes a dramatic difference and is something we wanted to achieve for a long time.”

“With SAP Business One, not only can we extract real-time information, we can also generate our own reports, anytime the management wants them,” she adds.

Useful Features

Ms. Sun notes that one of the most useful features of SAP Business One provided the company was the cost centers. This allows Wanxiang Resources to control the expenses for different departments by allocating cost factors in each transaction.

“This way, we can monitor and control the high expenses like those related to entertainment and networking when we do trading,” she says.

However, before implementing SAP, they could not differentiate the expenses among depts. “By referring to these cost centres, we can tell which department uses how much, and what kind of expenses,” explains Ms. Sun.

This has allowed the company to clearly define the responsibilities for every department and exactly what resources are shared between them.

A Big Pay-off

The automation of the system comes as a relief to the company, reducing time it takes to do data entry while providing real-time information.

“Previously, we did it manually, using separate Excel reports for sales, purchase etc. That was very tedious, and it was not easy to manage all the information. With SAP, it's all standardised,” says Ms. Sun.

And apart from saving the cost of outsourcing (to the financial consultant), the company also protects itself by keeping its financial information in-house.

Better Poised to Grow

While already in use for a year, Wanxiang Resources is still exploring the full potential of SAP Business One.

“We hope to grow the sales, purchase team into using the Customer Relationship Management features And eventually, I hope we can incorporate the whole business process with SAP Business One.”

Ms. Selena Sun, Finance Manager, Wanxiang Resources (Singapore) Pte Ltd

“So far, we’ve been using the inventory, sales and purchasing functions, as well as leveraging SAP Business One to generate financial reports,” says Ms. Sun.

Yet with the company’s turnover almost doubling every year, the staff strength is set to grow as well.

Ms. Sun says: “We hope to grow the sales, purchase team into using the Customer Relationship Management features And eventually, I hope we can incorporate the whole business process with SAP Business One.”

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