

Supply Chain

We make SAP work for you

Customer SUCCESS story:



The Client

Operating since 1936 in Australia in residential, commercial and construction building markets, Capral is an industry leading supplier of innovative aluminum solutions, with extensive distribution channels and value-added services including powder coating anodizing and light fabrication.

Recent initiatives and acquisitions are helping to define the company's strategic direction; further cementing its strong position as a major extruder and distributor with excellent products, experienced people and a proven R&D capability.

The Challenge

In order to support this strategy, Capral needed to improve its financial planning processes across its business units which were recurrently inconsistent, inefficient and in some cases, non-existent. Each of the business units' financial planning and reporting processes were set up on different spreadsheets, which did not communicate or reconcile. Without consistent planning or reporting, the company was experiencing significant time and cost inefficiencies in a very complex environment; resulting in extended planning cycles.

To address these inefficiencies, Capral highlighted the need to build a central data repository scalable for future corporate initiatives regarding financial data reporting, planning, forecasting and consolidation. The company already extensively used SAP

throughout the business and therefore approached SAP partner Supply Chain Consulting to help transform its financial planning processes.

"SAP is already widely used throughout our company and we wanted to take advantage of SAP's tightly integrated strategic suite of Business Intelligence (BI) products," said Greg May, Business Intelligence Manager, Capral Aluminium Limited. "Due to Supply Chain Consulting's expertise in SAP Business Intelligence, we sought their help to improve our internal financial planning and month-end reporting process."

The desired solution needed to reduce costs for people, processes and technology. The most significant challenge of the implementation was that all of this needed to be achieved within very tight project timeframes.

The Project

Following assessment of Capral's technology environment, Supply Chain Consulting recommended the implementation of SAP Business Planning and Simulation (BPS) and SAP BW Financials that would be tightly integrated with the existing SAP ERP and BW architecture. The BPS module within SAP BI comes with a complete suite of planning functions for modelling, simulation, integrated budgeting, target setting, forecasting, scenario planning, resource allocation and risk evaluation.

Supply Chain Consulting recommended a phased approach in consultation with management, which was based on:

- Business drivers;
- Logical data and business process prerequisites in regard to functionality; and
- Data requirements to implement certain functionality.

Capral used this opportunity to re-engineer its planning processes and to develop a consistent and standardised single planning framework across its business units. The new system incorporates:

"We now have a common planning and reporting framework; providing us with an accurate consolidated financial view across the entire business. We look forward to further positive impacts this SAP solution has on our business."

Greg May, Business Intelligence Manager, Capral Aluminium Limited

1. 18 month quarterly rolling forecast,
2. Integrated reporting via SAP BW, and
3. Planning by Account / Cost Centre to Account Group / Cost Centre Group.

The first phase was focused on designing the functionality of the system with future phases incorporating enhancements to ensure continuous improvement of the solution. Phase one took four months and included profit and loss, cost centre, sales planning and balance sheet planning, with the key output being the ability to accurately report a consolidated balance sheet and profit and loss.

Benefits

Upon completion of phase one, the planning and reporting solution has helped Capral realise many benefits including:

- Consistent planning processes across all business units;
- Risk reduction in planning;
- Simplified the consolidation and review process;
- Platform to potentially reduce the planning cycle time from 4 to 2 weeks.
- Consistent and more efficient management reporting framework, which is integrated with the existing BW architecture;
- Flexible framework for further planning based on key business drivers
- One planning system for current and future processes and requirements.

"We now have a common planning and reporting framework; providing us an accurate consolidated financial view across the entire business," said Mr May. We look forward to further positive impacts this SAP solution has on our business."

The success of the project was largely attributable to the implementation team engaging with key areas of the business to act as committed project sponsors. These included the Chief Financial Officer and the Strategy & Planning Manager. The ongoing success of the solution is also due to identifying, agreeing and signing-off on a consistent and standardised planning framework and requirements.

Results

SAP BPS has provided the foundation for a simpler, more efficient and cost effective planning and forecasting process at Capral. It has ensured that the planning environment has become significantly less complex and that the business can continue to innovate and meet its strategic goals.

About Supply Chain Consulting

Supply Chain Consulting is a premier provider of SAP services and solutions in the Asia Pacific region. Supply Chain Consulting offers a range of services, from business analysis to system integration and support, as well as a number of qualified mySAP™ All-in-One solutions. The company has performed over 300 SAP implementations and more than 80 upgrades.

The Technology

- Upgrade from BW 3.0b to BI 7.0 (NW 2004s)
- BPS using the Excel front-end,
- BW Financials reporting (Profit Centre Accounting & Cost Centre Accounting) integrated with the BPS solution.



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