



KTL OFFSHORE PTE LTD

OIL AND GAS SUPPORT SERVICES COMPANY ACHIEVES OPERATIONAL EXCELLENCE WITH SAP®

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Mr. Jonathan Tan, Operation Director,
KTL Offshore Pte Ltd

QUICK FACTS

Company

KTL Offshore Pte Ltd is one of the leading players in the oil and gas support serviced sector with offices in Singapore, Vietnam and Dubai. To better serve its customers in the region, it had to take better control of its stock levels to achieve operational efficiency. To accomplish this, it implemented SAP Business One to gain clear insights to its inventory level, business performance, and operational costs.

Website

www.ktlgroup.com

Challenges and Opportunities

- Lacked of a proper stock control system
- Manual-based report generation process caused inefficiency and data inaccuracy

Objectives

- Get real-time updates on stock levels
- Enable management and staff to generate reports quickly and accurately

SAP Solutions and Services

- SAP® Business One

Why SAP

- Reputable and reliable
- Proven track record

Key Benefits

- Achieved visibility in stock levels
- Real-time access to business performance enhanced decision making
- Implementation of business best practices improved efficiency, corporate governance, and ensured data integrity

Implementation Partner

- Hitachi Asia Ltd



SAP Customer Success Story
Engineering, Construction & Operations



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The Singapore-based marine and offshore supplier of rigging, mooring as well as lifting and towing equipment services, chose SAP Business One to keep track of its large inventory and more.

With more than 90 years tucked under its belt, KTL Offshore Pte Ltd is one of the leading players in the oil and gas support services sector. Once a traditional family business, KTL Offshore has since evolved and enhanced its expertise to better serve its 1,000 clients in Asia Pacific. KTL Offshore was also listed on the Singapore Exchange Securities Trading Limited in December 2007, with a robust turnover in 2008 of S\$63 million.

KTL Offshore prides itself as one of the few players in the world to keep ready stocks of big wire ropes measuring 6 inches in diameter. In addition to keeping a wide variety of smaller items in its inventory, the company differentiates itself by emphasising its strengths as an expert in delivering installation and inspection services for vessels, barges and oil rigs in the marine and offshore industry.

With so many items in its warehouse, KTL Offshore was finding it difficult to keep stock of its inventory levels accurately.

"Given the large size of some of our stocks, we would take two to three weeks to completely update the inventory level," said Mr Jonathan Tan, Operation Director, KTL Offshore. "This created inaccurate stock levels for us, leading to work inefficiencies."

KTL Offshore's existing business management system also placed limitations on the company's reporting requirements. Raw data were exported into Excel worksheets to generate finance reports, and staff had to manually tweak and clean up the documents to fulfill management's requirements. Other data that needed adjustments include taxation, profit margin reports, sales and supplier analysis, and stock aging.

These problems prompted KTL Offshore to look for a solution to help keep track of its operations accurately and efficiently. KTL Offshore evaluated several solutions before deciding on SAP Business One. "We chose SAP because it is a reputable vendor with a proven track record," added Mr Tan.

Project success factors

Hitachi Asia Ltd, a SAP Business One qualified partner, was elected to implement the solution for KTL Offshore. This was because Hitachi was able to address KTL Offshore's pre-implementation concerns very well, and this gave the company the confidence to go ahead with the project.

"We were worried that the new solution may slow down production initially," admitted Mr Tan. His fears were allayed as Hitachi Asia took every effort to explain how SAP Business One works. The modules implemented were Finance, Banking, Production, Accounts Receivable (AR), Accounts Payable (AP), XL Reporting Tools, Copy Express, Data Transfer Workbench and Inventory. Implementation started in October 2007 and was carried out in 12 phases. The company went live on SAP Business One in September 2008.

"We are very impressed with Hitachi Asia throughout the installation process, from scope analysis to acceptance, customisation, user acceptance testing (UAT), pre-live testing, reconciliation and go live," said Mr Tan. "Not only were they prompt in their response, Hitachi also put in additional resources to speed up the process or shared with us best practices to ensure operational excellence."

KTL Offshore also had to re-engineer some of its business processes to align it with SAP Business One. To ensure that this was executed well, Hitachi Asia consultants were forthright in sharing their experiences. For example, they taught KTL Offshore the importance of item coding its disparate stock for costing purpose, resulting in proper stock control. Only one major customisation was needed; smaller modifications were also carried out to format various reports to fit KTL Offshore's requirements.



“We now have proper cost control measures in place, and gained a clear overview view of what is going on at any time in the organisation.”

Mr. Jonathan Tan, Operation Director, KTL Offshore Pte Ltd

“Now, our employees understand the importance of being systematic in the way we conduct our business, thanks to SAP.”

Mr. Jonathan Tan, Operation Director, KTL Offshore Pte Ltd

Business objectives on track

An immediate benefit that KTL Offshore experienced post-installation was its ability to obtain real-time inventory updates. This enabled the management to make better decisions based on accurate information. Improvements in access control also enhanced corporate governance and data integrity. KTL Offshore saw improvements on its operational efficiency too, now that all data is centralised on a single system.

KTL Offshore encountered initial internal resistance to the new SAP solution, prompting the company to put in place a change management strategy. This initiative ensures that every end user is trained and knows how to work the system. This has paid off handsomely — employees and management alike are able to generate reports independently without calling on their MIS colleagues anymore.

“Now, our employees understand the importance of being systematic in the way we conduct our business, thanks to SAP,” added Mr Tan.

Pleased with the results from SAP Business One, KTL Offshore is considering extending its SAP system to include customer relationship management (CRM). This will enable its marketing department to take the company’s technical service quality to the next level.

With SAP, KTL Offshore feels that it has achieved more than its initial objective of gaining complete control of its large inventory properly.

“We now have proper cost control measures in place, and gained a clear overview view of what is going on at any time in the organisation. As a result, the management is able to make intelligent sense of the raw data and this has improved our decision making process. Our business is right on track with SAP’s help!” said Mr Tan.

About SAP Business One

SAP Business One is an integrated, affordable, business management application built from the ground up to meet the immediate and long-term needs of small and midsize businesses (SMBs). It provides a true and unified view of operations across customer relationship management, manufacturing, and finance. Simple to use yet powerful, SAP Business One puts business users in charge, arming you with the critical, up-to-the-minute information you need to make smart business decisions.

About Hitachi Asia Ltd.

Hitachi Asia Ltd. is a wholly owned subsidiary of Hitachi, Ltd. Established in 1989 as the regional headquarters in Singapore, it has ten offices in seven countries in Asia, excluding East Asia. The company offers a wide range of systems, products and services in market sectors such as information systems, power and industrial systems, digital media systems and consumer products. For more information about Hitachi Asia, please visit www.hitachi.com.sg

About Hitachi ICT Solutions Business Group

Hitachi Asia's Information Communications Technology (ICT) Solutions Business Group partners with and offers customers innovative consulting, business applications and systems integration solutions to enhance their businesses and reduce their ICT Total Cost of Ownership (TCO).

Our ICT solutions include Hitachi Job Management Partner 1 (JP1), an industry award-winning system management solution that simplifies business processes and enhances operational effectiveness. We also provide business application solutions like ERP, SCM, CRM, Business Analytics/BI etc. from various global software partners, e.g. SAP etc. Our IT infrastructure solutions include storage, server, network, security Green DC, etc.

We have a proven track record in enabling our clients to accomplish their business objectives by integrating their processes, technologies and people in the most seamless, cost-effective fashion. Through our unparalleled capability and best-of-breed industry solutions, we endeavor to be your long-term trusted advisor.

**For more information about how we can help you reach your goal,
please visit <http://www.hitachi.com.sg/ict-solutions>**

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Implementation Partner

Hitachi Asia Ltd

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Inspire the Next

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