



## LITAFLEX PLASTICS MANUFACTURING PTE LTD

LITAFLEX PROVED THAT SAP HAS NEEDS  
OF SMALL BUSINESSES IN MIND

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Mr. Alex Tan, Managing Director,  
Litaflex Plastics Manufacturing Pte Ltd

### QUICK FACTS

#### Company

As the only Singapore leading Extruder and Injection of unplasticised polyvinyl chloride (uPVC) trunkings and conduit pipes producer that manufactures all its products locally, Litaflex Plastics Manufacturing Pte Ltd (Litaflex) faces stiff competition from companies that own factories in China and Malaysia. With the management's emphasis on superior service and quality, it has been growing strength by strength as well as expanding its footprint overseas.

#### Website

[www.litaflex.com.sg](http://www.litaflex.com.sg)

#### Challenges and Opportunities

- Business processes were not seamlessly integrated
- Growing business needs and goals could not be fulfilled by customised accounting software
- Lacked a suitable inventory system to manage and update stock level

#### Objectives

- Implement an enterprise resource planning (ERP) system to automate, streamline and integrate business process
- Improve visibility into inventory and financial data
- Enhance information sharing and decision making

#### SAP Solutions and Services

- SAP Business One

#### Why SAP

- Reputable and credible solution
- Scalable, powerful solution that meets the needs of small businesses

#### Implementation Highlights

- Went live after six months of implementation

#### Key Benefits

- Real-time data availability to track and manage inventory
- Streamlined and integrated operational processes
- Improved user productivity by reducing manual work and human errors
- Better insight to company's customers and sales performance
- Enhanced decision making with the help of sales analysis reports

#### Database

- MS SQL 2005

#### Hardware

- IBM x3200

#### Operating System

- Windows 2003 Standard Server



Manufacturers of uPVC Corrugated Conduit • GMI/Trunking • Conduit Pipe • Cover Plate • Drain Pipe.



SAP Customer Success Story  
Manufacturing  
Plastics



# LITAFLEX PLASTICS MANUFACTURING PTE LTD

## LITAFLEX PROVED THAT SAP HAS NEEDS OF SMALL BUSINESSES IN MIND

For Singapore-based Litaflex, there was only one brand that fits the needs of its growing business and yet contains the power of a full-featured enterprise management solution – and that solution was SAP Business One

When Litaflex Plastics Manufacturing Pte Ltd (Litaflex) was searching for an enterprise resource planning (ERP) solution towards the end of 2006, it came across products that were either too limited in functionality or contained too many features that were unnecessary for its business. What they needed was an integrated ERP solution that was powerful yet appropriate for its small 40-man outfit. It should also be flexible enough to scale according to the requirements of this growing company.

“We picked SAP Business One because SAP is a brand that we can rely on. Furthermore, the solution is unique in that although it is built for small businesses, it consists of the key modules you can expect to find in a full-featured ERP application,” says Mr. Alex Tan, Managing Director, Litaflex. He adds that the feature that drew his company to SAP Business One was also the solution’s ability to generate in-depth reports to aid decision making.

### Integrating Processes Critical to Business Success

Headquartered in Singapore, Litaflex is a producer of unplasticised polyvinyl chloride (uPVC) trunkings and conduit pipes, and it is the only one in the island-state that manufactures all its products locally while its competitors produce mostly in China and Malaysia. Rather than compete on price, the company prides itself for offering excellent service and products of high quality, conforming to International Standard & Specification. The ambitious company is also not contented with just serving the Singapore market, and is expanding by exporting its products overseas.

However, Litaflex’s growth plans were hampered by a lack of an ERP system to integrate different aspects of its business together, explains Ms. Tricia Tan, Business Development, Litaflex. In addition, it only had a customised accounting software that was not comprehensive enough to support its rapid growth. “We were also not assured of prompt support and continuous maintenance from the software vendor,” adds Ms. Tan.

Without any suitable software to manage the inventory in its warehouse, stock visibility was non-existent and this affected production planning and the sales process. This meant that staff had to run a physical check of goods available whenever a customer placed an order, which affected productivity and data accuracy.

### Capable Partner Ensures Smooth Roll-out

The entire implementation process, which lasted for about six months, encompassed scoping, information gathering, migration, training and user acceptance testing. During this period, Litaflex’s implementation partner, Hitachi Asia Limited (Hitachi), was a huge pillar of support who also ensured that the SAP system went live as planned end of 2007.

“The Hitachi project team was very enthusiastic and dedicated, and helped us prepare for the move to SAP Business One,” says Ms. Tan. Hitachi had to help with the organisation of the warehouse and categorising of all its products.

Although a couple of processes were changed during implementation, they were streamlined to be aligned with industry best practices. For example, the importance of indicating which products are ready for delivery in the production system was reinforced as a critical process and adopted throughout the company. This improved tracking of the production and delivery status, which enhanced customer satisfaction.



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Ms. Tricia Tan, Business Development, Litaflex Plastics Manufacturing Pte Ltd

### A Bird's Eye View of Business

With all the respective processes integrated, and business-critical data updated, shared and managed via a centralised SAP platform, business performance has improved as the management now has real-time information at its fingertips. “With SAP Business One, we are able to retrieve accurate information and reduce lead time with superior inventory control. The automation of our process has also reduced the likelihood of human errors, thereby increasing staff’s efficiency and operational excellence,” says Ms. Tan.

Data visibility has also enhanced inventory management and minimised inventory costs. “We can even track raw material costs so that we can better manage our profit margin,” she adds. This is especially critical for a manufacturing business such as Litaflex, and that is why it has to watch the discounts it gives to customers very carefully too. In this aspect, SAP helps by creating an efficient way of retrieving pricing information and discounts quoted at the beginning of customers’ projects say a year or two ago, and applying these figures during the invoicing process. There is then no need to trawl through hardcopy sales agreements, which is a time-consuming process.

Last but not least, the Litaflex management has gained greater insight to its customers and an accurate overview of its sales performance. “Generating sales analysis in the past was a very time-consuming process. But with SAP now, the management can get precise reports with just a click of a button,” says Ms. Tan. And through these sales analysis reports, the company can better identify high and low value customers, and track responses of a new product closely.

There is always room for improvement and further development. In fact, Litaflex is already looking to leverage SAP Business One for warehousing purposes. This is to control the flow of goods from production and all the way to delivery.

### 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](http://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 Limited

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