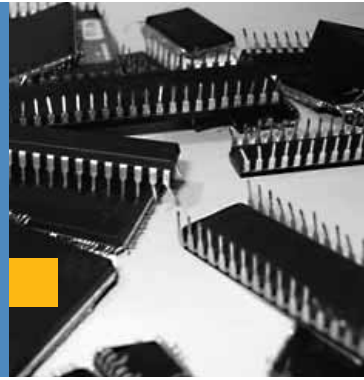


SAP Customer Success Story Hi Tech - Electronics Components Distributor



“The key objective of having a centralized ERP system is to provide management with timely information for more sound business decisions. With the efficiency and integrated solution offered by mySAP ERP, we are able to serve our customers, business partners, principals and stakeholders even better.”

Mr. Tay Hung Chuan, Senior IT Manager, FE Global Electronics Pte Ltd

AT A GLANCE

Executive Summary

With its large network of offices in Asia Pacific, FE Global Electronics Pte Ltd needed an IT system that could integrate its business processes and be localized for specific countries in the region. The company achieved this with mySAP ERP, and further enjoyed enhanced cash flow management and improved visibility, honing its competitive edge.

Website

- www.fe-electronics.com

Key Challenges

- Previous system unable to support multiple languages, local currencies and regulations
- Inefficient management of inventory and cash flow process
- Real-time sales and stock information not available
- Lack of standardization across all businesses, resulting in inability to consolidate information

Project Objectives

- Implement a centralized system for all businesses across the region
- Develop a better inventory management system
- Improve management of cash flow and bottom line
- Increase customer service levels and competitiveness

Solutions and Services

- mySAP ERP
- Implemented Sales Distribution, Materials Management, Financial and Cost Controlling and Production Planning

Why an SAP Solution?

- SAP is a reliable and proven brand
- Ability to meet all of FE Global's project requirements
- Ledge Consulting, SAP's channel partner, offered flexibility and cost-effectiveness
- Excellent after-sales support

Key Benefits

- Overall business processes now better managed
- Common platform ensures standardization across regional subsidiaries
- Ability to retrieve real-time information enables prompt decision-making
- Increased competitive edge and improved customer service

Implementation Partner

Ledge Consulting

FE Global Electronics Pte Ltd

Electronic components distributor leverages on SAP to expand regionally

With more than 45 regional offices across ten countries, FE Global Electronics faced a key challenge on how to effectively manage information across the entire organization. Two key areas in particular, inventory and cash flow, required special attention, as inefficient management could result in the company losing its competitive edge.

“Our industry is so competitive that we cannot tie down our cash in the form of inventory,” explains Mr. Tay Hung Chuan, Senior IT Manager, FE Global.

Unfortunately, the company's five-year old ERP system had become too archaic and ineffective. The legacy system could not efficiently track and deliver up-to-date inventory and accounts information. It could not consolidate and analyze the data or provide management with analysis and forecast reports that they could leverage on for strategic and informed business planning.

The legacy system could not support the various Asian languages, currencies and government regulations. It hindered implementation across all FE Global regional subsidiaries. More importantly, the previous system could not support the Chinese language, a key requirement for the company's growth and expansion in China.



With all these limitations, FE Global started to evaluate several software vendors, looking for a system that would best fulfill the company requirements to improve inventory tracking and cash flow, and support its regional growth. Ultimately, the new system must help to enhance customer service levels and the company's competitiveness.

SAP gives the best fit

Among all the software vendors evaluated, SAP stood out with its established reputation and reliability. The vendor's business solution platform fit perfectly with FE Global's criteria for an integrated and centralized system with the capability to support multiple languages, local currencies and government regulations.

"We reviewed the functionality and features of each software and in the end, SAP proved to be the most suitable in catering to our needs," says Mr. Tay.

Another decisive factor was the professionalism and flexibility of Ledge Consulting, SAP's channel partner.

"Ledge Consulting's deep knowledge of the High-Tech industry was what drew us to them. Their flexible approach towards business and their competitive offerings were very attractive to us," Mr. Tay explains.

After consultation with Ledge, FE Global decided on the mySAP ERP solution. Four modules were selected for implementation: Financial Accounting and Cost Controls, Sales Distribution, Materials Management and Production Planning.

The road to integration and centralization

Given the company's wide regional network, the installation process was split into two phases, spanning a total of 15 months. In this timeframe, mySAP ERP was implemented across all FE Global offices in the region, with the exception of China and Korea. Singapore was designated as the corporate data center.

Phase One took eight months and involved implementing the new system throughout the South Asian offices. Phase Two took seven months for the North Asia offices. The respective go-live dates of each phase were June 2005 and January 2006.

Mr. Tay was very impressed and pleased with Ledge Consulting and the smooth installation of the mySAP ERP software.

"The entire implementation process was very focused, and Ledge's project management

was excellent. The relationship was very synergetic and collaborative. It was more of a partnership rather than a one-time turnkey project. Ledge came in to train and transfer their knowledge to my IT staff," says Mr. Tay.

As a result, after Phase One, the FE Global IT team found itself quite self-sufficient. In fact, it was the FE Global IT team that handled the North Asia rollout, with Ledge Consulting playing an advisory role.

"Before, we could not monitor our stock levels as efficiently because the old system did not have sufficient support capability. Now, with mySAP ERP, our customer credit management as well as procurement processes are much more effective."

Mr. Tay Hung Chuan, Senior IT Manager, FE Global Electronics Pte Ltd

Better management with SAP

Following the successful implementation of mySAP ERP, Mr. Tay now finds that the company's business processes are much more organized with the proper controls in place. Staff are now able to easily keep track of the inventory, ensuring that there is an optimal inventory level when they buy and sell large quantities of stock.

mySAP ERP has further allowed FE Global easy access to its customer database, enhancing its ability to have a better control of its risk management.

The staff now enjoy a higher visibility of customer information and payment history enabled by mySAP ERP. Subsequently, this helped in the sales and accounts receivable processes. The company now can maintain a smooth cash flow and solid bottom line.

"Before, we could not monitor our stock levels as efficiently because the old system did not have sufficient support capability. Now, with mySAP ERP, our customer credit management as well as procurement processes are much more effective," says Mr. Tay.

With the system integrated across most of its offices, FE Global can now gain a 360-degree view of the company's overall business operations. This helps to provide management with relevant information on which they can base their future business planning and resource allocation.

"The key objective of having a centralized ERP system is to provide management with timely information for more sound business decisions. With the efficiency and integrated solution offered by mySAP ERP, we are able to serve our customers, business partners, principals and stakeholders even better," says Mr. Tay.

Complete roll-out

Riding on the successful completion of Phase One and Two, FE Global is now preparing for Phase Three of the project, rolling out mySAP ERP to the Hong Kong offices.

"The key objective of having a centralized ERP system is to provide management with timely information for more sound business decisions. With the efficiency and integrated solution offered by mySAP ERP, we are able to serve our customers, business partners, principals and stakeholders even better."

Mr. Tay Hung Chuan, Senior IT Manager, FE Global Electronics Pte Ltd

Ultimately, FE Global hopes to have SAP as a common business solution platform throughout the organization, including their operations in China and Korea. This, Mr. Tay says, will enable the entire business to become more organized and allow them to provide their customers with a higher level of service and satisfaction.

www.sap.com/contactsap

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