

"I am completely satisfied with the implementation results, because the way people were thinking has been changed and the gaps I have never thought about have been exposed."

V.E. Yankovsky, Director General



Short overview

Company name

"Co-Packing Center"

Location

Russia, Moscow, Moscow region

Industry

FMCG

Products/Services

Co-Packing and Co-Manufacturing services

Web Site

www.co-pack.ru

IT landscape

1 C Accounting (1C Бухгалтерия)

The Project's Objectives were to:

- develop a single integrated information system for enterprise management;
- develop an enterprise operation control system;
- obtain the information on actual production costs to ensure flexible production management process;
- switch to the system also used by the key customers

Implementation Partner

- ALPE Consulting

SAP Solutions and Services that were used:

- SAP All-in-One Baseline
- Production Planning (PP) module
- ALPE Consulting Services - installation, implementation and post go-live support of Russian Accounting module

Why SAP

- SAP All-in-One is a preconfigured and easy-to-extend business solution which is provided at a fixed price, in fixed terms and which meets both existing and predictable company's needs

Implementation highlights

- With the help of the SAP Best Practices and ASAP Focus methodology, the system was implemented in extremely short space of time – in 4 months (usually it takes not less than 9 months)
- Close cooperation ALPE Consulting and Co-Packing during the project
- Highly qualified project team on both sides

Result

- Standardized business processes that are clearly organized in accordance with the current requirements;
- Unified accounting and consolidated reporting of the four legal entities of the holding company;
- Clear understanding of the production cost, pricing and profitability;
- Comprehensive operative information on production and warehousing;
- Assistance in business process organization and strategic decision making due to the completeness of the information and its quick acquisition

Soft Hardware

- Database: Oracle
- Operating system: Windows 2003 Enterprise Edition x86_64
- Quantity of users – 20

Co-Packing Center

ALPE Consulting uses SAP Best Practices and ASAP Focus methodology for faster SAP implementation

One day, midsize companies become aware of the need for a clear prospective, up-to-date solutions and a powerful and scalable electronic business platform. With the help of SAP Business All-in-One implementation, the Co-Packing Center Company intended to integrate its business processes and to acquire an effective information system which would support the further growth of the company.

By using the combination of SAP Best Practices and ASAP Focus methodology, ALPE Consulting team completed the implementation within just 4 months.

About the Customer

The Co-Packing Center Company is a rapidly developing manufacturing company providing services in the sphere of co-packing and co-manufacturing.

Situation

Like any quickly expanding enterprise, one day the Co-Packing Center Company became conscious of the importance of the information component in its business administration and made a decision to develop this component.

The pressing need to solve this task was confirmed by such objective factors as the absence of a single organizational structure, the complexity of organizing and carrying out management accounting, the impossibility of

precisely calculating and analyzing product costs and the lack of production planning instruments.

The most important issue was that of organizing clear operational accounting.

V.E. Yankovsky, Director General:

"Some production actions in Co-Packing can take one or two weeks at most. Therefore, if one doesn't know the production cost on the very first day, the serious problem occurs, as one has to make corrections, as it were, on-line.

The hand work is a massive part of our production costs. Thus, as soon as one gets the information on the share of the hand work in the overall production costs, one can promptly react to this. Reports must be prepared within the time of one or two shifts.

When we were using 1C and Excel, this was an extremely difficult task".

It is obvious that the development of the corporate information system proved to be one of the necessary conditions that enabled the further growth of the company and helped to keep competitive advantages.

V.E. Yankovsky, Director General:

"I employ a consultant on strategic business development who has been working for multinational corporations for a long time. A year ago he told me one simple thing: "If you don't install SAP, you won't be able to develop any more, that's it".

Of course, these are just fine words, but we did realize that there is no way forward without some information system. If we had not installed it, we would have deeply immersed in Excel, 1C and would not move forward".

The Choice between Solutions

The Co-Packing Center's management chose SAP Business All-in-One solution. ALPE Consulting, an SAP partner, was engaged in deploying the implementation project.

The implementation of SAP Business All-in-One solution was supposed to consolidate all the company's subdivisions into the single information space, to create the possibilities for controlling and correcting key business processes, to provide additional instruments for the company operations analysis.

In order to preserve the competitive advantage it was necessary to optimize the company's production planning and accounting processes.

The key reasons for choosing the solution provided by ALPE Consulting were:

- fixed time of the project deployment
- fixed price
- solution's meeting the existing and predictable needs of the company
- easy scalability of the solution in the future
- implementation

The project was deployed in compliance with SAP implementation methodology for small and midsize companies. The project consisted of the following stages:

- analyzing extra adjustment requirements and forming a deficiency list;
- installing and setting up the system;
- training end-users on actual data;
- testing solution;
- data migration;
- go-live startup of the system commercial operation

With the help of SAP Best Practices and ASAP Focus methodology, the implementation was

carried out in extremely short space of time – in 4 months (usually it takes not less than 9 months).

It is necessary to mention that it was a specially invited manager who was in charge of the project manager on the Co-Packing Center's side.

V.E. Yankovsky, Director General:

"It became clear from the very beginning that our company had no own specialists that were able to deal with SAP and to cope with the overall IS implementation. This is why I think it was the right decision to employ Svetlana Gracheva to carry out these functions. Thanks to our common efforts we managed to bring this project to life within 4 months. I am absolutely sure that if a company employee had tried to combine his duties within the company with the work on IS implementation, he would not have succeeded".

Results

Altogether 20 end-users engaged in production, accounting, procurement and sales, accounting, planning and warehousing were trained and started to use the system.

The following factors contributed to the success of the project:

- fast decision making;
- business processes alteration in accordance with the best practices offered by SAP standards;
- competent and effective work of the project team;
- loyal attitude of the employees to the new system implementation.

All the aforementioned enabled the Co-Packing Center to achieve the following results from the project deployment:

- accurate operative accounting;
- accurate, consistent, up-to-date information necessary for decision making;
- better financial transparency of the company;
- optimization of production planning and accounting;
- ensuring better user discipline and responsibility in the sphere of operations and warehouse accounting;
- feasibility of accurate production costs calculation and analysis.

V.E. Yankovsky, Director General:

“Now when the SAP implementation project is completed, I was given a clear view of the low effectiveness of a clumsy vertical structure. A much more effective strategy is restructuring into business units. Thus, we have decided to start building a new plant.

We owe you our current restructuring, because you have launched our business processes (to put it bluntly, we did not have any in our company – business processes are not developed in three year’s time). This is why we have adopted an off-the-shelf solution.

Right after the information system was implemented, in our attempt to strengthen the positive effect we have evolved a new look at our businesses, and it became clear to us that these are three different businesses, but together they form Co-Packing.”

Prospective

The company is planning to integrate its SAP systems with those of its customers and to implement HR, WMS, TOPO modules as well as BW+SEM.



About ALPE Consulting

ALPE Consulting was established in 2006. ALPE Consulting’s specialists have a vast, up to ten years’ (and more) experience in SAP.

The offices are located in Moscow and St. Petersburg.

A large number of international and Russian projects in different industries have been successfully realized.

ALPE Consulting is an SAP Silver Channel Partner.

Competencies:

- SAP ERP (FI/CO/MM/SD/PP/ PS/QM/HR)
- SAP All-In-One Baseline (Prepackaged Solution)
- SAP IS Retail All-In-One (Prepackaged Solution)
- SAP Russian Add-on (Roll-out Projects)

More than 50 highly qualified consultants certified by SAP

SAP implementation experience: manufacturing, financials, warehouse accounting, sales and distribution, budgeting, employee administration, customer relationship management

Expertise in the following industries: FMCG, cosmetics, chemicals, retail, pharmaceuticals, automotive, consulting services, transportation and logistics, and others

The company specializes in working with international companies running business in Russia and other CIS countries as well as with Russian companies running business in Russia and abroad.

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