

Two Page Case Study

AnnAik Limited

Steel Piping Manufacturer and Distributor Increases Revenue by Introducing Productivity-Boosting Software

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Steel piping manufacturer and distributor AnnAik Limited was growing rapidly, but its outdated accounting software was driving Finance Director Ng Kim Keang and his staff deeper into overtime and frustration. Ng spearheaded a move to a Microsoft® enterprise resource planning system that has put management's finger on the pulse of every area of the business. Ng's productivity has increased by 30 percent, and employees in other departments have seen a 50 percent productivity boost from reduced data entry and information tracking. Ng attributes a Singapore \$8 million revenue (U.S.\$5.8 million) increase in part to efficiencies that the new software has delivered.

Steeling for Growth

For the past five years, it seemed that Southeast Asia could not get enough of AnnAik Limited's steel pipes, flanges, fittings, and valves. Business for the Singapore-based company has exploded, fueled by the region's insatiable appetite for raw materials. However, as AnnAik surged, Ng Kim Keang, Finance Director, watched his staff sink further and further behind.

"My staff and I spent hours each week entering financial data and trying to generate meaningful reports for management from our basic accounting system," he says. "We had to work overtime to manually extract data and transfer it to spreadsheets; it was extremely frustrating."



Solution Overview

Organization Profile

AnnAik Limited manufactures and distributes stainless steel fittings for shipbuilding, petrochemicals, semiconductors, food processing, and many other industries. The Singapore-based firm has more than 20 subsidiaries in Singapore and China, with a total workforce of approximately 800 employees.

Partner(s)

iBiz Consulting Services

Software and Services

Microsoft Dynamics NAV 4.0
Microsoft Office 2007
Microsoft Windows Server 2003, Enterprise x64 Edition

Vertical Industries

Metals

Country/Region

Singapore

AnnAik manufactures high-pressure forged steel fittings, flanges, and piping products that are used in shipbuilding, oil and gas, semiconductors, food processing, and other industries. After becoming a publicly listed company on the Singapore stock exchange in 2003, AnnAik expanded its business upstream—opening manufacturing plants in China—and downstream—expanding into engineering construction and environmental business. This broad integration is a key competitive differentiator for AnnAik. However, the company didn't have the information flow it needed to run an integrated business. "Our vision was for information to flow smoothly from our plants in China to our distribution office in Singapore," Ng says. "With one click, management wanted to be able to access information anywhere in the manufacturing or distribution chain for quick decisions."



“Our \$8 million revenue increase, with a gross profit of \$2.4 million, was due partly to Microsoft Dynamics NAV. The investment in the system was only \$150,000, and everyone is able to do more work and help the company generate more money.

Ng Kim Keang
Finance Director,
AnnAik Limited



Dynamics® NAV 4.0. “This software is user-

Instant Business

InsightThe company's customized accounting software couldn't deliver instant data insights or flexible reports. Management charged Ng with the responsibility of finding an enterprise resource planning (ERP) system that could take the company into its next decade of growth. Ng looked at ERP systems from Oracle, SAP, and Microsoft, and ultimately settled on Microsoft

friendly, which was a top consideration,” Ng says. “It also offered broad functionality, scalability, a good price, and great support from our local partner. Microsoft is making midmarket business software as easy to use as the Microsoft® Office system products.”

AnnAik worked with IBIZ Consulting Services, a Microsoft Gold Certified Partner in Singapore, to implement the software in just a few weeks.

All AnnAik financial, inventory, sales, and purchasing data are now in one centralized database that can be accessed by any authorized user, from any location. Using complementary business intelligence tools, management has instant insight into any area of the business—plant inventories, pending sales, order volumes, or products shipped. AnnAik employees can now get pricing and inventory data to customers in minutes instead of hours or days, which makes the company more responsive and competitive. With the old system, customers had to wait while employees tracked down information and relayed answers through phone calls and faxes.

Increased Revenues

Ng has delivered a productivity boost throughout AnnAik with the new software. Previously, data was manually re-entered at every juncture.

Today, information is entered once and flows throughout the system, resulting in a 50 percent time saving for employees across the company.

“People can focus on their work rather than on unproductive data entry and information tracking,” Ng says. “Also, more people have access to business data now, which enables people on the front lines of our business to make informed business decisions.” Today, 50 of the company’s 800 employees use the software, with intentions to expand to 100 users within two years.

The result of increased productivity and information access has been increased revenues.

In 2006, AnnAik's revenue was Singapore \$40 million (U.S.\$29.3 million). In 2007, after the new software implementation, revenue was \$48 million (U.S.\$34.9 million). "Our \$8 million revenue increase, with a gross profit of \$2.4 million, was due partly to Microsoft Dynamics NAV," Ng says. "The investment in the system was only \$150,000, and everyone is able to do more work and help the company generate more money."

Ng has freed up 30 percent more of his own time with Microsoft solutions at his fingertips. "I have more time to oversee the business; my staff and I aren't buried in report creation."

AnnAik is seeing growth in every area of its business—number of products, vendors, customers, and employees. "Microsoft Dynamics® NAV 4.0 can scale to meet all our requirements," Ng says. "We're looking to add CRM and HR modules to help us grow more."

Lessons Learned

- Look beyond cost savings to how new ERP software can help your company grow revenue and profits.
- Select a system that can expand to meet changing business needs.
- Choose a partner that can help you coordinate all aspects of the project.

Executive Biography



Ng Kim Keang joined AnnAik in January 2003 to manage finance, accounting, treasury, budgeting, and taxation matters. Prior to joining AnnAik, Ng worked for Deloitte & Touche, Malaysia, and Ernst & Young, Singapore. Ng has a Bachelor of Commerce degree from the University of

Adelaide, Australia, and is a full member of CPA Australia and a provisional member of the Institute of Certified Public Accountants, Singapore.