

Case study

PT Kirana Megatara improves efficiency with ERP system



HP servers, storage and networking handle business data from 15 factories

Industry

Manufacturing

Objective

Increase the quality and timeliness of business information, to drive efficiencies and improve decision-making

Approach

Reviewed solutions from four major IT vendors

IT matters

- Simplified support due to entire solution being from a single vendor
- Consolidated business data from 15 sites to one ERP system at head office
- Overhead of local standalone PCs removed from mission critical system

Business matters

- Improved management, control and reporting, with up to date information at all times
- Boosted business efficiency due to accurate, timely data and dashboard reporting
- Cut inventory from two months to one month
- Improved cash flow due to better monitoring and control
- Increased customer satisfaction
- Accelerated ability to resolve manufacturing problems, due to increased visibility



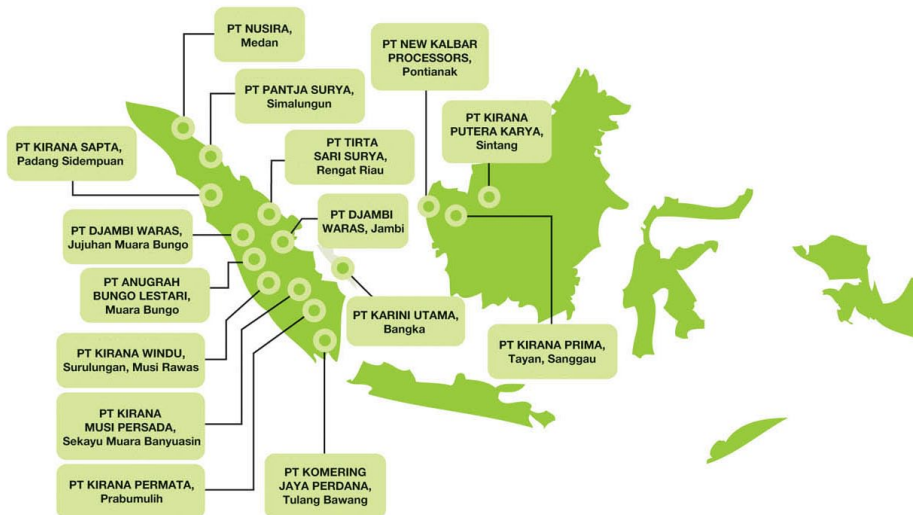
“Now that we can monitor and control factory operations much better, we have improved company performance in various areas, for example: inventory turnover, cash flow and increased customer satisfaction.”

– Hartono Wijaya, IT division head, PT Kirana Megatara

Reliable, easy to manage system

Rubber producer PT Kirana Megatara wanted to replace legacy systems with SAP ERP software to help manage its business more effectively. HP supplied an entire solution including servers, networking, storage, software and services. This has enabled PT Kirana Megatara to improve the accuracy of business data, to report centrally on 15 sites, and to cut its inventory and improve cash flow.





Challenge

ERP solution

PT Kirana Megatara is a major producer of rubber, with a total capacity of 720,000 tonnes per year from its 15 factories across Indonesia. Most of this production is exported to tyre manufacturers around the world.

The company gathers a detailed set of information from each of these factories including raw material purchases, production figures, and finished goods data. Until recently, this data was then transferred to legacy systems for review at the head office on an operations dashboard, with much of the information contained in Microsoft® Excel spreadsheets.

“We had no VPN connections from the factories to head office, and the information was always a day late and it comes in summary”, says Hartono Wijaya, IT division head at PT Kirana Megatara. “We were also having problems with the accuracy of data and the process for transferring it, and if something went wrong, it could result in incorrect decisions at head office.”

To solve these problems, PT Kirana Megatara decided to implement an Enterprise Resource Planning (ERP) system, which would help it to manage its business and to handle growth. Having decided to use SAP software for its ERP, PT Kirana Megatara set out to find the best hardware platform for the system. This would need to include servers, storage and networking.

Solution

Complete system

PT Kirana Megatara contacted four suppliers, and reviewed their proposals against multiple criteria, including technology direction, simplicity, scalability, reliability, future expansion and pricing. Following this review, they selected a solution from HP.

“Based on these criteria, HP was the system that best met our requirements,” says Wijaya. “The main factors were HP’s technology features, and its simplicity of configuration. HP’s people are experienced, and gave us advice to ensure we chose the right products.”

The system is deployed at PT Kirana Megatara’s head office in Jakarta, Indonesia. It consists of a broad range of HP hardware, including an HP BladeSystem c7000 Enclosure with ProLiant Server Blades, and HP Enterprise Virtual Array (EVA) P6000 Storage. Networking is handled by various HP switches, an HP MSR20 router, an HP MSM720 wireless controller and HP MSM410 access points.

Single vendor

A key factor in PT Kirana Megatara’s decision to choose HP was that they wanted to purchase the complete system from one vendor, including storage, networking, servers and services – something only HP could offer.



Having everything from a single company made implementation quicker, and ensured that support was simpler. This saves time for PT Kirana Megatara and reduces costs.

“We prefer having one supplier, so that if something goes wrong we avoid having multiple companies blaming each other,” says Wijaya. “With HP as our single vendor, its people are really helpful if there are any issues.”

HP’s professional services team implemented the storage, while HP’s partner, Password Solusi Sistem, designed and implemented other parts of the system, as well as co-ordinating with SAP to ensure a successful software installation. Wijaya comments, “The implementation went smoothly.”

The HP networking equipment was supplied with a lifetime warranty, helping minimise total cost of ownership.

Benefits

Easy to use and manage

The HP system is used to run two SAP stacks: SAP Human Capital Management (HCM, also known as HRIS) and SAP Logistics, which includes FICO (financial accounting and control), MM (materials management), SD (sales and distribution) and PP (production planning).

As well as the SAP ERP system itself, PT Kirana Megatara uses the HP solution to run its own software, developed in-house. This software is used for running automation for the machines in the factories, and to capture the data from this equipment and route it to the SAP software.

According to Wijaya, the new system is straightforward for end-users and for his team. He comments, “Once our staff become accustomed to the ERP system, they use it with no difficulties, and from the IT perspective, the HP solution is easy to manage.”

Improved reporting and control

With the ERP system in place, PT Kirana Megatara now has better reporting, and can more closely monitor its stock of raw materials, work in progress, finished goods, and the payments it receives.

“Previously, data in the factories was stored on personal computers at each site,” says Wijaya. “Now, the data is stored and consolidated on the HP system at our headquarters in Jakarta, and we have flexibility to look at summary reports, as well as examine the detail that’s there for each site.

“Management and control are improved, and we can put the data on our dashboard and utilise reporting tools,” continues Wijaya. “Having this more detailed and accurate information helps the business to run more efficiently and effectively.”

Customer solution at a glance

Applications

SAP ERP

Hardware

- HP 5500 Switch
- HP 5406 zl Switch
- HP 4200 vl Switch Series
- HP ProCurve Switch 2500 Series
- HP MSM720 Wireless Controller
- HP MSM410 Access Point
- HP MSR20 Router
- HP ProLiant BL460c Server Blade
- HP ProLiant BL660c Server Blade
- HP BladeSystem c7000 Enclosure
- HP EVA P6000 Storage
- HP LTO 5 autoloader

Software

- HP Data Protector
- OS RHEL for SAP

HP services

- HP Care Pack Services
- HP Foundation Care 24x7 Service

“Now that we can better monitor and control everything, we have improved company performance in various areas including inventory turnover, cash flow and increased customer satisfaction,” says Wijaya. “Before the ERP system, our inventory stood at two months, but now we have cut that to only one month, and have improved our cash flow in proportion.”

The SAP system also helps when there is an issue at one of the manufacturing sites, providing better visibility of what is wrong. Wijaya comments, “We quickly know what the problem is and it’s easier to find out what the issues are, and to fix it faster.”

Reliable system

As the ERP system consolidates data from production at 15 factories across Indonesia, all in real-time, it is mission critical for PT Kirana Megatara. This means that the company needs the HP hardware to be reliable, and to have a high level of uptime.

“The HP system – the servers, storage and networking – is all running well, and keeps our business flowing,” says Wijaya. “We’ve had few problems, but when any issues arose, HP quickly helped us to solve it.”

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According to Wijaya, reliability is good, with better than 99 per cent uptime so far. For the future, the company aims to improve this figure by adding an offsite disaster recovery site.

The company uses HP Data Protector Software to back up SAP, and Wijaya comments, “We rely on Data Protector – it integrate with SAP, and is easy to use.”

PT Kirana Megatara is part of a group of businesses in Indonesia. In future, it is planning to add a private cloud to enable closer integration and consolidation of systems between various sister companies.

“We prefer HP hardware for all of the companies in the group,” concludes Wijaya. “I’m more than satisfied with the HP solution overall.”

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