

## Case study

# ERP solution delivers profitable growth for PT SKL



## PT SKL transforms business with HP Integrity Servers powering business process solutions

### Industry

Corrugated Carton Manufacturing

### Objective

Implement an integrated end-to-end business process in order to reduce costs, eliminate workflow interruptions and underpin a drive for larger customer orders

### Approach

Analysed ERP solutions from a range of international vendors

### IT matters

- Upgraded from a limited PC environment to a highly integrated ERP system with Business Critical Servers supporting CPS/Enterprise software
- Improved workflow process and reduced costs between 30 - 40 per cent
- Integrated end-to-end business processes, eliminating workplace errors and delivering a ten per cent improvement in productivity

### Business matters

- Achieved market growth of ten per cent due to mission critical ERP application enabling drive for larger customer orders
- Delivered profitability increase of three per cent to the bottom line
- Streamlined and automated processes, reducing labour intensive workload and delivering anticipated ROI in five years



**“The combination of HP Integrity Servers running HP-UX 11i v3 and Prestige Atlantic ERP delivered a powerful and reliable end-to-end business solution. This enabled us to slash costs by up to 40 per cent, lift productivity by ten per cent and to drive our market growth.”**

– Mr Kinardo Ang, president director, PT SKL



### Carton manufacturer transforms business with ERP solution

PT. Satyamitra Kemas Lestari wanted to eliminate slow manual processes and reduce high labour costs in its carton manufacturing operation. It achieved these goals by deploying HP Integrity Servers and HP-UX 11i v3 to power a carton manufacturing industry-specific CPS/Enterprise ERP from Business Alliance Partner Prestige Atlantic Asia.



## Challenge

### **Frustrating workflow interruptions**

PT. Satyamitra Kemas Lestari (PT SKL) is a corrugated carton and packaging manufacturer based at Tangerang, in Indonesia's Banten Province. When founded in 2005, the company's accounting system dealt satisfactorily with the distribution, invoicing and reporting part of the operation. However it became clear that a wider IT business solution was needed to tackle the manufacturing and management process.

Each day the company produces hundreds of cardboard cartons and boxes to meet tailor-made orders from customers. Many of these are market leaders in industries such as food and beverages, electronics, furniture, apparel, automotive and household appliances.

Because the major part of the operational process was manual, it created an environment in which mistakes could occur, not only during inventory control and manufacturing but throughout the marketing and sales process. The result was frustrating workflow interruptions which undermined the company's ability to deliver consistently high quality products and to offer speedy responses to customer timelines. This in turn limited opportunities to fulfil large customer orders.

PT Satyamitra Kemas Lestari began the search for an IT solution that would co-coordinate raw material supplies, control the manufacturing process, and manage quality. The solution would need to run and track each order through its lifecycle, from estimation, quotation, order placement, planning and manufacturing. It would also need to manage inventory, logistics and even monitor possible quality defects.

### **Lack of system integration**

Early attempts to establish an enterprise-wide system solution faced a major hurdle. No specialist software existed for corrugated carton manufacturing. The problem was worsened by the fact that standard software was purchased from different suppliers, with little integration within a business solution framework. The company decided the right solution would be an end-to-end enterprise resource planning (ERP) capability, tailored to its particular needs.

One possible answer was to employ in-house programmers to write the necessary software. It stalled because staff turnover in this area proved very high. The company experienced a steady exit of programmers, attracted by the promise of better opportunities elsewhere.



Mr Franco Agung, director of finance and IT, recalls: “It was a case of ‘the grass is always greener’ with a supposedly better job just around the corner. The result was that we were unable to either build or sustain the knowledge bank required to secure a truly coordinated IT solution across the organisation.”

It was at this stage that the company decided on a solution offered by HP and its Business Alliance Partner. Malaysian-based Prestige Atlantic Asia is an independent business solution builder and developer. It offers customised vertical business solutions throughout its pan-Asian network.

For more than a decade HP and Prestige Atlantic have collaborated in placing specialist software developed by Prestige Atlantic and powered by the HP UNIX® operating system running on HP Business Critical Servers (BCS).

## Solution

### Robust ERP platform

Franco says: “We recognised HP’s reputation for its proven server technology. We were also aware of Prestige Atlantic’s track record in developing specialist paper and packaging industry solutions - with more than 120 installations across Asia.

“We chose a custom designed Prestige Atlantic CPS/Enterprise solution developed from scratch to suit the specific needs of the carton and packaging industry. It is a highly integrated ERP system supported by the robustness of the HP Integrity Server platform and powered by the HP UNIX operating system.”

The HP rx2660 server employs a dual-core Intel® Itanium® architecture which, “when running on the HP-UX 11i v3 and coupled with the CPS/Enterprise software, is proving an ideal solution for our business critical environment,” adds Franco.

An additional factor that underpinned the HP/Prestige Atlantic solution was the strong local presence and track record of HP and its Alliance Partner. Competition was offered by vendors from the USA and Australia, but the chosen solution not only matched the pricing, but offered fast turnaround if support was required. Franco says: “HP and Prestige Atlantic are a proven part of the local business community. They can talk to our people in their own language and understand the communications issues perfectly.”

## Customer solution at a glance

### Application

Enterprise Resource Planning (ERP)

### Hardware

- HP Integrity rx2660 Server
- HP Smart-UPS
- HP160DB Tape Storage

### Software

- HP-UX 11i v3 Operating System
- Prestige Atlantic CPS/Enterprise ERP 2013

### HP services

- Server Installation and Configuration
- HP-UX OS Fine-Tuning
- 24x7 Support Services

“This was quickly borne out by the speedy and trouble free installation of the solution - based on the professionalism and experience they had already achieved in similar deployments in many Asian locations.”

## Benefits

### Tightly integrated business processes

The business process is now tightly integrated allowing data to be easily shared across various departments in the company. Franco says: “This has facilitated better workflow outcomes between the internal business units, the manufacturing base and our suppliers. Detailed reports and cost estimates are now readily available for management and as a result we are achieving more targeted planning and more informed business decision making.”

“We were delighted with the speedy and trouble free installation of the solution. But we were not surprised by the professionalism and experience of HP and Prestige Atlantic. Together they had already achieved similar deployments in many Asian locations.”

– Mr Franco, director of finance and IT, PT SKL

The elimination of the many labour intensive manual steps in the manufacturing process has resulted in cutting expenses by between 30 - 40 per cent and delivered a ten per cent lift in productivity. The company has achieved ten per cent growth in market share over the past 12 months as specialised larger orders are manufactured and delivered to customers in shorter cycles.

PT SKL is also achieving more accurate forecasts which are streamlining its raw materials inventory. Franco says the company has increased profitability by three per cent anticipates that the solution will deliver its ROI within five to six years.

He adds: “The installation went very smoothly. We’ve not experienced any problems because the high availability HP Integrity Servers run the Prestige Atlantic Enterprise application without missing a beat. The company is now placed in the top five of our industry in Indonesia. We could not have achieved that ranking without this excellent solution.”

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