



Microsoft Dynamics Customer Solution Case Study



Electronic Manufacturing Services Company Transforms Business with an Integrated ERP Solution

Overview

Country or Region: India

Industry: Electronic Manufacturing
Services

Customer Profile

SFO Technologies, a NeST Group company operates focuses on embedded software, middleware, applications, digital electronics, power supplies, fiber optics and optronics amongst others. With sales revenues of **INR 840 crore**, and, 4000 employees, the group has a globe presence.

Business Situation

SFO was undergoing a transition in order to migrate from its project focused operations' approach, with disparate, independent business processes to an integrated organization.

Solution

SFO decided to deploy Microsoft® Dynamics™ NAV 4.0 supported by Affordable Business Solutions (ABS), with the aim to achieve complete business transformation.

Benefits

- Enhances customer relationships
- Connects employees, customers and partners
- Improves financial management
- Eases accounting and regulatory compliance challenges

“What we had perceived as a two year project, was done in a record time of five months, enabling a true business transformation exercise which will help us to grow our business multifold.”

N. Jehangir , Vice Chairman & Managing Director, SFO Technologies

SFO Technologies, part of the diversified NeST Group, had been undergoing a transformation. The company which was structured under multiple independent legal entities, each with a project focused operations strategy. Each business unit followed distinct, independent business processes. As a result, SFO was losing customer responsiveness; and business management was becoming unwieldy. The company attempted to re-model its overall business, especially IT infrastructure with small piecemeal steps and yet no progress was made. Then, with the help of Affordable Business Solutions (ABS), a Microsoft® Gold Certified Partner, the company deployed an integrated solution based on Microsoft® Dynamics™ NAV 4.0 to complete its business transformation. In record time, the company achieved all it set out to; seamless integration of all applications and processes; access to real time information; reduction in overall operational costs; and creation of a customer centric, agile organization.



“The adoption of the new IT platform helps us to make strategic decisions faster by providing a single view of the business. Further, it is an important step towards achieving our six sigma goal.”

Dr. Guy Rabbat, CEO, Supply Chain & Global IT, SFO Technologies

Situation

SFO Technologies, is a U.S.\$ 200 million (INR 840 crore) conglomerate of technology companies, a part of the global NeST Group. SFO is a leading electronics manufacturing services (EMS) company. It has strong presence in futuristic computer and communication technology areas such as networking, fibre optics, radio frequency, microwave and software. Its customers include major Fortune 500 companies such as GE, ABB, Philips, Sony, Ericsson, Lucent, etc.

Headquartered in Cochin, India, the company has over 20 companies and a 4000 plus workforce spread across its hardware and software facilities in Trivandrum, Bangalore and Mysore, besides Cochin, in India and in United States.

SFO envisaged being a global leader in providing end-to-end solutions to engineering and manufacturing companies. The solutions include hardware and software products and value added services. However, the business model needed to change to pave the way for unhindered growth and expansion planned by the organization.

In order to transform itself into a customer focused organization and achieve economies of scale in operations and Supply chain Management, it was important to create a matrix of Strategic Business Units (SBUs) and Corporate Group Functional Units..

SFO Technologies decided to migrate from disparate, business processes operating on different applications to a more consolidated approach called ‘One Company System’ (OCS). OCS is an in-house Enterprise Application Integration (EAI) framework that aimed to integrate all existing applications and provide a foundation for building/plugging-in new applications required on an ongoing basis. But even one

year after implementation, SFO could not see its business processes being transformed.

SFO had been using an Italian ERP solution, AVANTE, in addition to Tally, a local financial management application. However, disparate sets of applications created silos of information, which had proliferated within the enterprise. This was limiting the organization’s ability to easily integrate new applications. Business decisions were sub optimal due to lack of real time aggregated information. Hence there was a need for an integrated IT infrastructure.

There were multiple challenges with the different applications comprising OCS. AVANTE’ being an Italian solution, the dependence on a tier III vendor was enormous as it was a non-standard technology; there was a huge recurring cost of integration and maintenance. In addition, the ability to train or retain people to administer it was a huge challenge. Integration of Avante to Tally required upgrades with every new version of OCS/ AVANTE, hence resulting in ongoing maintenance costs. Then there were time delays and additional costs associated with the asset management, and creating single sign on capabilities in OCS.

SFO Technologies evaluated all the pros and cons between Enterprise Application Integration (EAI) versus Application Platform Suite (APS) and decided in favour of the APS approach.

Solution

What SFO Technologies needed was an APS offering with pre-integrated solutions that would eliminate the need for EAI. Thus, enabling better operational efficiency across all SBUs; enhanced customer responsiveness

“We found an ideal fit in Microsoft® Dynamics™ NAV 4.0 as a platform to help us manage our global business. We believe that the solution will help us in our goal of becoming a U.S.\$1 billion global organization.”

Javad K. Hassan, Chariman, SFO Technologies

helping SFO involve into an agile, adaptive organization.

With its previous experience with the EAI based solution, SFO Technologies was weary to begin another implementation without complete conviction. Affordable Business Solutions (ABS) was introduced to SFO by the private equity investor, India Value Fund (IVF), activity even before taking on the project. Based on the IT Audit, it was able to convince SFO Technologies of its subject matter expertise, ability to deliver an integrated and customized solution.

Beginning with a process map and an IT audit from a consulting perspective, ABS presented a transparent cost impact analysis showcasing the ERP solution which best suited the needs of a dynamic organization such as SFO Technologies.

What emerged from the IT audit was a need for a software foundation that would build, integrate, transform and extend key business applications. After rigorous evaluation of SAP, Oracle and Microsoft® Dynamics™ NAV, SFO Technologies decided to implement Dynamics NAV 4.0 with the help of Affordable Business Solutions (ABS), a Microsoft® Gold Certified Partner. Besides the functional expertise, ABS was selected because of its proactive, hands-on approach.

Assisting SFO Technologies, ABS started to implement the new solution without disrupting the existing OCS application. The approach was one unit at a time. The implementation was completed in a record time of five months at SFO head office in India. ABS then cleaned up business processes across other units. The second step was to identify people who could be trained to undertake replication in other units. In less than a year, the entire

organization was running live on Microsoft® Dynamics™ NAV 4.0.

Dr. Guy Rabbat, CEO - Supply Chain and Global IT, SFO Technologies says, “By integrating the core Microsoft® Dynamics™ NAV platform with our Financial Supply Chain (FSC) we have deployed a world-class solution for the EMS space”.

Benefits

SFO Technologies has a dynamic business across continents and it wanted a single window view of its business. Microsoft® Dynamics™ NAV 4.0 has helped the company to achieve the same.

Enhances Customer Responsiveness

SFO technologies had identified customer responsiveness as one of the cornerstones for growth and key requirement to be enabled by Microsoft® Dynamics™ NAV 4.0. The new solution provides managers with a 360 degree view of customers across sales, production and supply chain, in real time.

In addition, by integrating all business information—customer, product, inventory, sales, SFO Technologies is able to take informed decisions that are customer and business friendly. “One knows at a glance which accounts need immediate attention, and which can wait. ,” explains Mr. Jehangir N, Managing Director

Connects Employees, Customers and Partners

By connecting information and processes, and providing customized, role-based access to information, Microsoft® Dynamics™ NAV 4.0 helps increase collaboration.

Another important feature imperative in an organization with global transactions is multiple language and currency support, which allow employees to conduct business

globally, with minimal barriers. Microsoft® Dynamics™ NAV 4.0 addresses this requirement. “Before Microsoft® Dynamics™ NAV 4.0 was deployed, multi-currency and local regulations consumed as much as 60 percent of the finance teams time. This has been completely automated making local regulatory requirements compliance and multi-currency transactions simple, business-as-usual activities,” comments Mr. Verghese P. T., Vice President - Finance, SFO Technologies

Improves Financial Management

“Microsoft® Dynamics™ NAV 4.0 has had a huge positive impact on our operations,” says Mr. Guy Rabbat, CEO, supply chain, SFO Technologies. “Quick access to data gives us time to identify challenges and take corrective steps before business is impacted.”

Eases Accounting and Regulatory Compliance Challenges

Implementation of Microsoft® Dynamics™ NAV 4.0 eliminates the use of separate accounting packages for India and overseas. It can be easily customized to provide country-specific functionality for a large number of countries. This helps the company to meet regulatory and legal needs in each country. “We are less likely to make mistakes and be in violation of any reporting requirements for any the countries we are present in,” concludes Mr. Verghese P. T., Vice President - Finance . SFO Technologies

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about SFO Technologies products and services, call pls provide no. or visit the Web site at: www.nestgroup.net

For more information about Affordable Business Solutions products and services, call (91) (80) 4245 7457 or visit the Web site at: www.abs.in

About Affordable Business Solutions

Affordable Business Solutions (ABS) Pvt. Ltd. offers a suite of business solutions addressing various industry verticals through an S+S model, offering affordable solutions to the growing SME segment in India. ABS also offers consultancy services in the areas of strategic business planning, business process consulting and business analytics. In the area of education, in addition to IT Usage and administration, ABS's Center for Functional excellence (CFE) offers education and skills upgrading courses for various functions like sales, materials management, finance and accounting or production planning, targeted at employees and executives of Indian SMEs. From 50 percent of its revenue on services, ABS expects its services business to grow and account for 90 percent of total revenue within 5 years – primarily because ABS expects its software resale business would transform into S+S services.

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

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