

DRB-HICOM Automotive



An enterprising company.

DRB-HICOM Berhad is one of Malaysia's leading companies, operating in three business segments: automotive, property and construction, and services. DRB-HICOM Automotive engages in the design, engineering, manufacture, assembly, sale, and distribution of motor and military vehicles, including the sale of spare parts and services, through a number of subsidiary companies.

Four of DRB-HICOM Automotive's main profit-making companies—HICOM Honda Manufacturing (M) Sdn Bhd, HICOM Diecastings Sdn Bhd, HICOM Engineering Sdn Bhd, and HICOM Yamaha Manufacturing (M) Sdn Bhd—were selected for a project in which Infor™ ERP SyteLine was implemented to improve customer service; inventory management; the accuracy, visibility, and communication of information; and the division's competitive position.

“ Infor ERP SyteLine has given us an important legacy: the foundation from which to grow our competitive position. ”

MR. ABDUL RAHMAN, CEO, HICOM DIECASTINGS

Customer Profile

Setting the strategy.

DRB-HICOM wanted to consolidate its Automotive Components Division's financial systems. Each of the division's companies was managed as a stand-alone operation, using its own applications and a set of manual processes. All were processing information and reports through Microsoft® Excel® spreadsheets—a slow, error-prone approach.

"You can imagine the likely scenario," says En. Zainee Md. Dahlan, CEO, HICOM Yamaha. "A customer inquires about an engine delivery and the answer takes days to retrieve, by which time it may be inaccurate."

"Inventory was a major problem for all of us," adds Mr. Paudzi, head of Automotive Division. "Inventory levels were too high, a burden of cost and space, and there was no visibility from one company to another."

Improving the management of information would elevate customer service, dramatically improve data accuracy, and impact business operations across the four companies. But there was another area that needed close attention.

"Our customers have sophisticated systems," says Mr. Ab Rahman bin Ab Razak, CEO, HICOM Diecastings Sdn Bhd, "and they expect their suppliers to have the same capability. So while much of the drive for system change came from within, customers and industry bodies are playing an increasingly important role in guiding our business direction."

To ensure a successful implementation, DRB-HICOM needed to choose a flexible solution with industry-specific functionality and a skilled and experienced implementation team. Infor and local partner Information Systems Enterprise Solutions Sdn Bhd (IES) have built their reputations on addressing the specific business needs of automotive industry customers like DRB-HICOM.

facts at a glance:

> company	DRB-HICOM
> solution	Infor ERP
> product	SyteLine
> platform	Microsoft Windows®
> database	Microsoft SQL Server™
> industry	Automotive
> country	Malaysia

Getting business specific.

Infor ERP SyteLine was the preferred solution from the outset, Mr. Abdul Halim bin Ismail, CEO, HICOM Honda (Mfg) Sdn Bhd confirms. "SyteLine's Advanced Planning and Scheduling product first attracted our attention, since this would address one of the division's main issues, inventory management. This functionality could streamline our processes across the supply chain and provide visibility we never had before."

On further investigation and after comparison with two other solutions, the Infor solution proved to be a good fit for the multi-company automotive supplier, offering built-in functionality to suit the current business structure and future requirements. The underlying Microsoft .NET technology would provide the flexibility to create a unique, company-specific interface at each site, yet secure access to information across the organization.

The implementation partner was of vital consideration in the selection process. DRB-HICOM was only interested in working with people with automotive industry experience and a track record of successful multi-site implementations. Infor's Malaysian partner, IES, had the experience and expertise to deliver the Infor ERP SyteLine solution successfully, and to help DRB-HICOM make the most of their investment in the future.

Seeing results.

Three of the four DRB-HICOM Automotive companies went live on Infor ERP SyteLine simultaneously, with finance, logistics, manufacturing, and planning functionality rolled out over a 12-month period. Yamaha Manufacturing followed as an add-on project.

DRB-HICOM has an IT division based at corporate head office. It was therefore decided to run the Infor application on a single server with VPN. This means financial data is consolidated and reports and scenarios are run from a shared database.

While IES was appointed to conduct the business requirements study, customize applications if necessary, run the training, create the implementation plan, and manage the go-live, both IES and DRB-HICOM nominated a project manager to guide the overall process.

“The close collaboration between our two companies saw any issues resolved quickly and the project stay on schedule,” says DRB-HICOM’s project manager, Mr. Suresh Michael, who now provides consultation to the individual HICOM businesses.

For users, the project provided an opportunity for professional and personal growth. Since all were new to the world of ERP, education was an important aspect of IES’ involvement at DRB-HICOM. Seji James, project manager and senior business consultant with IES, found one of the most rewarding aspects of his job was seeing users’ confidence grow as the project went along, knowing that the key to a successful project lies in how well users understand and utilize the new solution.

“SyteLine has given us much better visibility and allowed our suppliers to improve their own scheduling,” says Mr. Abdul Rashid bin Musa, CEO, Hicom Engineering Sdn Bhd. “In less than a year, on-time supplier delivery performance improved from 40 percent to more than 60 percent.”

“As you would expect, the move from four independent systems to a single solution and uniform set of business processes has transformed our organization,” says Mr. Abdul Rahman, CEO, HICOM Diecastings.

“Infor ERP SyteLine has given us much better visibility and allowed our suppliers to improve their own scheduling.”

MR. ABDUL RASHID BIN MUSA, CEO, HICOM ENGINEERING SDN BHD

“While we may have reduced the financial consolidation time from three days to one day, the implementation of Infor ERP SyteLine has given us an important legacy: the foundation from which to grow our competitive position in the marketplace.”

Here are some other outcomes DRB-HICOM Automotive has experienced as a result of the Infor ERP SyteLine implementation:

Competitive advantage.

- DRB-HICOM can deliver a more efficient, personalized service to its customers.
- The division can adapt quickly to changing customer and industry demands.
- The cost of doing business has been drastically reduced.

Information accuracy and time savings.

- Accurate information is visible at all points in the organization, supporting manufacturing or purchasing decisions through to customer interactions.
- Errors are far less, with fewer manual processes required.
- Consolidation of financial data is fast and efficient.
- Instant availability of information means decisions are faster and more informed.

More efficient use of people.

- A large volume of manual tasks—such as data entry and checking—have been eliminated.
- Skilled employees are being redeployed to more value-add positions.
- Staff can be moved between companies with minimal retraining.

Customer Profile

Streamlined processes.

- The centralized architecture allows information to flow seamlessly between companies.
- Reporting and analysis is largely automated.
- The underlying .NET technology enables the sharing of data from other Microsoft-based applications.

Being open to an enterprising future.

Now that the Infor application is running across the four sites, DRB-HICOM Automotive is looking at introducing barcode functionality to refine the communication and tracking of materials, parts, and vehicles across the supply chain. This will be the next step in a project designed to deliver the greatest possible return on investment from the Infor ERP solution. To achieve this, DRB-HICOM is utilizing Infor Global Support to supplement its own IT resources, calling in IES for training and other business development services as required.

About Infor.

Infor delivers business-specific software to enterprising organizations. With experience built in, Infor's solutions enable businesses of all sizes to be more enterprising and adapt to the rapid changes of a global marketplace. With more than 70,000 customers, Infor is changing what businesses expect from an enterprise software provider. For additional information, visit www.infor.com.

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