



CASE STUDY

NDA Group copes with growth



NDA Group is a New Zealand based group of companies which is a world leader in the fabrication of stainless steel process vessels and heat exchangers for industry, and the provision of other specialist products and services to key markets around the world.

The Group's companies design, manufacture and service products for a wide range of process industries including the dairy, wine, brewing, chemical, mining, pulp and paper, pharmaceutical and food and beverage sectors. Headquartered in Hamilton, the Group has annual revenue of approximately NZ\$200m and is divided into six divisions, with multiple New Zealand sites as well as significant operations in Australia, China and the US.

Background

After a sustained period of growth that included the acquisition of a number of companies, NDA Group had multiple systems running across its six divisions.

All of NDA's eight sites in Australasia had different systems, with the head office in Hamilton using an aging TIMS application, while the Group's other Waikato-based operation, Dairy Technology Systems (DTS), ran Baan software.

NDA Group's Chief Information Officer, Mark McMorran, said that although some of the solutions were still adequate on their own, NDA had identified risks in taking no action. They had reviewed Enterprise Resource Planning (ERP) solutions three years earlier with the intention of replacing their legacy systems, but Mr. McMorran said the project was deferred as NDA went through a programme of acquisitions.

By the beginning of 2008, NDA had added a number of new companies to their group and decided the timing was right to conduct a new ERP selection process.

"The TIMS solution was over 20 years old and in danger of no longer being supported," he said. "The Baan system was still adequate for DTS but we were reliant on a dwindling number of people to maintain it, and our finance department in Hamilton had to use two systems."

Other sites had rudimentary accounting packages and manual processes were used for many important tasks. Mr. McMorran said this had led to duplication of information and processes. With multi-million dollar fabrication projects to manage across its different divisions, as well as the servicing of equipment on farms across the country, NDA identified potential benefits in investing in a single integrated system.

"We work collectively on jobs, with our main site in Hamilton doing the main fabrication and other sites making smaller components for the project. Stainless steel coil is the main material used in the fabrication of vessels and while we could do some analysis, we were limited in our ability to track the materials.

“We saw benefits in the management of our personnel and capacity planning and we also perceived benefits in having an Australasian-wide view of our supply chain.”

The Choice

NDA required a fully-integrated ERP application that could replace the disparate legacy systems and provide a group-wide view of the business – from sales and capacity planning to financial information.

Their vision for the new system was that it would be user-friendly across all levels of the organisation, with a common database to provide a single source of information and the ability for management to drill down to details as required. With NDA expecting further growth, a major requirement was scalability to ensure the system could be expanded and rolled out to any new companies acquired by the group.

A number of solutions were shortlisted and assessed based on total cost of ownership, scalability and their fit for an engineer-to-order fabrication business. While all of the shortlisted products met NDA's requirements to varying degrees, SAP Business All-in-One was judged to be the strongest as a complete package. Soltius was selected as the implementation partner largely based on their experience implementing the solution in the New Zealand mid-market.

NDA Group Chief Financial Officer Sean McCormack said that the rigorous evaluation convinced them that SAP and Soltius were the right fit for the Group's business plans. “What stood out for us was SAP's acceptance in mid-market companies and the lifetime value the solution offers to cope with future growth, along with the Soltius' track record as a systems partner, which is second to none.”

The Implementation

Working with Soltius, NDA began the first phase of the project in July, 2008, with the implementation of SAP Business All-in-One at NDA's multiple New Zealand sites, followed soon after by the phase two roll out at the DTS operations in Hamilton.

CFO Sean McCormack said that the four-month “phase 1” implementation on three of its sites was completed on time. “Thanks to the tremendous effort of all involved the implementation went smoothly and we are happy with the result. We chose Soltius because we believed they were the best implementation partner for SAP in the market. They were very collaborative and their best practices approach helped to keep everything on track.”

Mr. McCormack said that he expected the system to add business value with vastly improved visibility of NDA Group's operations. “This solution integrates our finance, production, procurement, sales and distribution and project management into one system and will result in more efficient business processes.”

As part of the project, Soltius also ran a series of data migration workshops to ensure the data from the legacy system successfully populated the new fields in the SAP system and trained the NDA project team to enable the ongoing development of the system to be done in-house.

Adobe Interactive Forms

One notable element of the NDA implementation project was the use of SAP Interactive Forms by Adobe. With independent contractors carrying out the servicing and repairs of DTS equipment on farms throughout New

Zealand, NDA had long grappled with the problem of how to track materials used in repairs and manage the third party invoicing.

Traditionally, the contractors created invoices and mailed them to NDA in Hamilton for processing. This not only tied up NDA's accounts staff with the manual data entry, working from the handwritten forms increased the risk of errors.

Mr. McMorran said that NDA had explored a number of options to improve the process over the years. Giving contractors access to the system via web portals had the potential to create as many issues as it resolved. Hand held mobile devices that would allow the service technicians to send information directly from the job sites had high upfront costs and technical barriers, as mobile network coverage was unreliable or non-existent in some of the remote farming locations.

As part of the SAP Business All-in-One implementation, NDA decided to investigate the Adobe Forms. SAP and Adobe had partnered to create a solution that enables enterprises to quickly and easily develop interactive, digital forms that can be directly integrated into business processes. This joint solution – which leverages the SAP NetWeaver technology platform – specifically integrates Adobe Portable Document Format (PDF) forms directly into any business process supported by Web-based SAP applications.

The interactive forms developed by Soltius for NDA meant that a service request received via their call centre could be emailed to the service contractor with the standardised form. After completing the job, the contractor could fill in the form electronically and email it back to NDA's system, where the information would then be automatically loaded directly from the email eliminating the need for accounts staff to rekey the data.

Mr. McMorran says that after a testing phase, the technology will eventually be rolled out to all of the service technicians across the country. "So far in the trial it appears to be working and it is a solution that will work for the majority of our contractors, unlike some of the other options we explored previously."

"It will be good when we have that process running without any interference required from Accounts and we also have the ability to refine and improve the forms down the track as we get better at using the technology."