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Company
- Name: Proton Edar Sdn. Bhd.
- Location: Selangor Darul Ehsan, Malaysia
- Industry: Automotive
- Products and services: Sales and service of vehicles
- Revenue: US$2.5 billion
- Employees: 2,000
- Web site: www.proton-edar.com.my
- Implementation partners: Accenture and iMG

Implementation Highlights
- Big-bang, enterprise-wide implementation in just 8 months
- Strong change management supported by implementation partners Accenture and iMG
- 1,500 users when going live, with minimal disruption to daily business

Why SAP
- Highest-rated solution among process owners and business users during formal evaluation
- Proven industry expertise and best-practice-based functionality that covered 86% of Proton Edar’s processes
- Scalable solution that supports comprehensive integrated processes

Benefits
- Improved supply chain visibility
- Better collaboration with branches, independent dealers, and other business partners
- More efficient, effective warranty processing
- Greater scalability and process flexibility
- Easier, more effective reporting and regulatory compliance

Existing Environment
Legacy infrastructure

Third-Party Integration
- Database: Oracle
- Hardware: HP
- Operating system: HP-UX

Challenges and Opportunities
- Increase scalability of IT infrastructure to meet ambitious growth agenda
- Enable collaborative processes across production plants, government bodies, and independent dealers
- Improve decision making with greater information visibility

Objectives
- Streamline and integrate enterprise-wide processes
- Improve visibility across the supply chain from planning to sales
- Implement a vehicle management solution to support innovation and facilitate the make-to-order process
- Improve collaboration across Proton Edar’s network of fully owned sales branches and independent dealers

SAP® Solutions and Services
- SAP® ERP application
- SAP Solution Manager application management solution

Quick Facts
When business users speak, companies listen – at least that’s what happened at Malaysia-based Proton Edar Sdn. Bhd. As the marketing arm of Malaysia’s national car manufacturer, Proton Edar is responsible for the marketing, distribution, sales, and service of Proton cars and parts throughout the country. Working with a legacy IT infrastructure that was unable to keep pace with company growth, business users at Proton Edar struggled with issues of poor performance, inadequate supply chain visibility, and ineffective collaboration. This impeded interaction with production plants and government entities. It also made for poor communication across Proton Edar’s network of fully owned sales branches and independent dealers.

In 2005 Proton Edar addressed these challenges head-on, launching the e-CORE (Edar Customer-oriented Environment) program to streamline operations by replacing its business software foundation. To make the right choice, Proton Edar formed a committee of business users and process owners and charged it with evaluating the best available solutions. Intuitive operation, information visibility, comprehensive integration, and process transparency were among the key criteria. “SAP ERP was the clear winner,” says Mohd Shariff Arshad, e-CORE program manager at Proton Edar. “Users liked its process flexibility and industry focus. Executives appreciated its support for comprehensive processes and its ability to scale for future needs.”

Eight Months, 1,500 Users, and One Big Bang

The mission for Proton Edar was as clear as it was challenging: implement a comprehensive solution for vehicle distribution, sales, after-sales, and finance that integrates with manufacturing systems and enables collaboration with dealers and government entities. Following the principle of “maximum pain for maximum gain,” Proton Edar designed the e-CORE program as a big-bang initiative to replace existing systems all at once.

Proton Edar secured the services of Accenture and IMG as implementation partners. SAP conducted up-front training both for the partners and for key users. From there, Accenture took over change management duties, which included blueprinting, building, testing, integration, data migration, and final launch. Just eight months after its inception, the e-CORE program went live with 1,500 users across 70 branches with minimal disruptions to daily business. Today, Proton Edar manages the implementation and provides centralized help-desk support using the SAP® Solution Manager application management solution.

Enterprise-Wide Vehicle Management

With the SAP ERP application replacing its older vehicle management software, Proton Edar now enjoys extensive visibility across the entire supply chain. Involved parties can allocate vehicles to specific regions or branches, manage distribution, and record sales to dealers and end customers.

The software also supports innovative sales processes, such as the make-to-order process. Although currently not deployed, the make-to-order process is part of Proton Edar’s future road map. “SAP ERP will give us the power and flexibility we need to manage the make-to-order sales process at a later point in time,” says Shariff. “This is a significant advance and can help us execute on our initiative to be the number-one choice for existing and potential customers when it comes to automotive products and service.”
More Effective Warranty Claim Processing

With SAP ERP, Proton Edar now processes and validates warranty claims with greater speed and accuracy – cutting down on overhead while maintaining high levels of customer satisfaction. The company can process claims automatically and deliver any required parts as part of the process flow. Both branches and dealers can check vehicle warranty eligibility and track the status of claims. After being validated by a powerful rules engine, claims are forwarded to Proton Edar for further processing. Tightly integrated with accounting, the software records all reimbursement transactions as well – automatically updating accounts payable for credit memos and accounts receivable for debit memos.

Proton Edar also uses the software to distinguish among different kinds of warranties. This helps the company to better monitor performance as it seeks to grow its extended warranty business. Meanwhile, powerful analysis functionality promotes continuous business improvement by detecting failure patterns and mitigates financial risk by preventing dealer processing errors.

Improved Inventory Control

With SAP ERP, Proton Edar is able to control parts inventory effectively and make levels transparent to all stakeholders inside and outside the organization. Branches, for example, can check parts availability directly when creating a service order, and dealers can obtain accurate shipment and arrival dates for incoming orders. In addition, Proton Edar can now run different planning strategies for different parts – processing fast- and slow-moving parts differently to keep stock low while maximizing inventory turns and maintaining service levels.

Greater Transparency and Improved Auditing

As the marketing arm of the national car manufacturer of Malaysia, Proton Edar makes smooth collaboration with regulating governmental bodies a high priority. With its old IT infrastructure, however, reporting was a painful process that put strain on day-to-day operations. "The transparency enabled by SAP ERP helps alleviate this problem to a great degree," says Shariff. "Today our processes are transparent and we’ve cut reporting cycles significantly. This frees up a lot more time for us to focus on our core mission of delivering the best automobiles to our customers all over Malaysia."

Business Transformation

Once operating with disconnected point solutions that impeded visibility and partner collaboration, Proton Edar has made significant strides as it seeks to streamline operations and improve customer service. "With SAP ERP, we’ve realized our vision of a truly customer-oriented environment," says Shariff. "We’re now an integrated enterprise with the ability to increase efficiencies, reduce costs, maintain customer satisfaction, and extend processes to our dealer base."

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