



CONSOLIDATED CAN MANUFACTURING COMPANY

DRINKING IN NEW SAVINGS AND EFFICIENCIES WITH SAP® ERP

“We needed software that would enable operational excellence. SAP ERP helped us increase business visibility, enhance efficiencies, and reduce costs.”

Aldine B. Mina, IT and Telecommunications Manager, Consolidated Can Manufacturing Company Ltd.

QUICK FACTS

Company

- Name: Consolidated Can Manufacturing Company Ltd.
- Headquarters: Jeddah, Saudi Arabia
- Industry: Mill products – fabricated metals
- Products and services: Steel cans for the beverage industry
- Revenue: SAR 300 million (around US\$80 million)
- Employees: 140
- Web sites: www.ccmc.com.sa or www.consolidatedcanmanufacturer.com
- Implementation partner: Al-Bilad Arabia Co. Ltd.

Challenges and Opportunities

- Provide enterprise visibility to new manufacturing operation
- Maximize operational efficiency
- Optimize business performance and profitability
- Reduce manufacturing costs
- Increase agility in competitive market

Objectives

- Deploy powerful enterprise business software designed for manufacturers
- Enable real-time information delivery to decision makers
- Use automated workflows to enhance employee efficiency
- Standardize business processes
- Generate accurate financial reports without users' manual intervention
- Enhance inventory management

SAP® Solutions and Services

SAP® ERP application

Implementation Highlights

- Deployed in just 5 months, on time and under budget
- Tightly controlled implementation cost and schedule
- Conducted 3-month internal process assessment, review, and data collection to prepare IT infrastructure
- Enhanced user acceptance by conducting training and ensuring system awareness before deploying software

Why SAP

- Market-leading enterprise business software
- Robust, user-friendly functionality
- The SAP consultants' deployment expertise
- Parent company's problems with existing Oracle deployment

Benefits

- Standardized and streamlined 90% of business processes
- Reduced overhead costs through improved operational efficiency
- Decreased spare-parts inventory by more than 20%
- Eliminated 45-day wait time for raw materials
- Lowered labor costs in warehouse
- Increased information accuracy
- Improved business visibility and operational control
- Enhanced company reputation



شركة إنتاج صناعات العلب المحدودة
Consolidated Can Manufacturing Co. Ltd.

Consolidated Can Manufacturing Company (CCMC) Ltd. manufactures steel beverage cans for customers such as PepsiCo in Saudi Arabia. To increase its agility in the competitive Middle East and North Africa market, the company deployed the financials and controlling, materials management, production planning, sales and distribution, and HR and payroll functionality of the SAP® ERP application.

“As a new company, we needed software that would enable operational excellence,” says Aldine B. Mina, IT and telecommunications manager for CCMC. “SAP ERP helped us increase business visibility, enhance efficiencies, and reduce costs.”

Maximized Operational Agility

The largest manufacturer of two-piece steel cans in its region, CCMC has the capacity to create more than 1.4 billion cans annually on its two production lines. The Jeddah, Saudi Arabia-based company was formed in 2007 by parent company, Abdulhadi A. Al Qahtani Sons Group. In the pursuit of excellence, CCMC is implementing a multimillion-dollar project, converting two of its production lines from producing two Pc steel cans to two Pc aluminum cans.

From its inception, CCMC deployed only the most sophisticated and powerful manufacturing and information technologies. To enable maximum enterprise visibility and operational efficiency, company executives sought powerful enterprise business software designed to meet the needs of manufacturers.

The organization wanted to use automated workflows and standardized business processes to optimize efficiencies and reduce costs, especially for its inventory management practices. An application that would enable employees to generate accurate, complete financial reports – without requiring any user intervention or manual adjustments – was considered essential.

“The goal was to select the best enterprise resource planning solution in the world,” explains Mina. However, CCMC’s parent company had recently experienced implementation difficulties with Oracle software. When the project team learned that SAP ERP was the leading business application – even for smaller corporations – the choice suddenly became clear. “The SAP software had the manufacturing and back-office functionality that we needed to support our operations,” he says.

Preparations for Change

Before deploying SAP ERP, CCMC took steps to ensure that the budget and delivery dates would be met. Mina and his team spent three months per-

forming assessments, reviewing business processes, and collecting required data and forms. “By completing these preparations before installing the software, we made sure our infrastructure was ready,” he says.

The team also conducted an SAP ERP awareness program throughout the company. Team members met with employees to help them understand how the software works, its benefits, and how business users – from department heads and process owners to shop-floor employees – would use it.

Approximately 26 people were trained to use the software’s finance, planning, and materials management functionality. “It was a great achievement for us,” says Mina. “These efforts helped staff become more positive about using the new software.”

Savings Opportunities

Experts from SAP Consulting deployed the software in just five months, on time and under budget. “I worked on Oracle systems for 13 years, and this is the first time I’ve implemented a software application for less than the amount budgeted,” says Mina. “We were very pleased with that outcome.”

To keep the project on schedule, the CCMC team used predefined templates and formats where possible. Offshore programmers were employed to create or modify reports as needed. The company measured progress against the business blueprint document created for the project.



“Our board of directors is convinced that we made the right choice when we opted for SAP ERP. And we like the prestige that comes from being able to say we are a company that uses SAP software.”

Aldine B. Mina, IT and Telecommunications Manager, Consolidated Can Manufacturing Company Ltd.

The preparation activities helped the team not only meet the project deadline but also control costs. “When the consultants arrived from SAP, we had already collected all of the forms, wish lists, and flowcharts needed to set up the software,” says Mina. “All of the master data and the other needed documents were ready. We saved a lot of money because of the work we did in those three months.”

Faster, Cheaper, Smarter

CCMC now uses SAP ERP to more effectively manage internal and external resources, including human resources, materials, and financial assets. By standardizing and automating 90% of its business processes, the company has enhanced efficiency, reduced errors, and lowered costs. For example, employees now spend less time on enter-

The benefits go on: HR functionality helped CCMC streamline personnel planning and administration as well as recruitment processes. Time and attendance features simplified payroll processing and reduced overtime costs.

Before deploying SAP ERP, the company waited an average of 45 days for materials to arrive for manufacturing. The production planning functionality helps planners ensure that the materials are available on the shop floor just as they are needed.

What’s more, process interruptions are highly visible – and easier to correct. If a part doesn’t arrive in time, users can review the workflow and identify the bottleneck, such as an employee who neglected to submit a purchase approval. The SAP software also sends automatic e-mail reminders to manag-

Accurate, Real-Time Data

Users can now generate operational and financial reports automatically. Month-end closings, which previously required 2 weeks, are now completed in only 3 days, with the year-end close taking only 4 days versus 20 days.

The elimination of redundant, inaccurate data has also improved reporting integrity. “Previously we had spreadsheet users who were responsible for creating reports,” says Mina. “Although they were very experienced, if they entered one wrong digit, it could affect operations businesswide. Now reports are accurate and require no manual manipulation, and the finance department gets complete visibility into all business activities.”

Information that was once “owned” by a single group can now be easily shared enterprise-wide, further improving efficiencies. For example, the company used to keep more spare parts than necessary because department heads wanted to make sure the inventory included materials they might need. Now people can log on to their computers and see which parts are already in stock.

“Before, no one knew which parts we had,” says Mina. “Now we have an open system where everyone can see the spare-parts information. As a result, we have been able to reduce our spare-parts inventory by more than 20%. That helps increase our cash flow.”

“Our accounting and shop-floor personnel are all very happy with SAP ERP because it gives them accurate, complete information for decision making.”

Aldine B. Mina, IT and Telecommunications Manager, Consolidated Can Manufacturing Company Ltd.

ing data and correcting errors, enabling them to focus on more value-added tasks. In the warehouse, the use of handhelds as well as automated barcode tools for printing pallet tickets (enabled by SAP ERP) has enhanced accuracy around order delivery and shipping and finished goods inventory – and it has lowered labor costs. Also, the reduced use of paper, printer inks, and energy has enabled CCMC to achieve cost savings.

ers if pending purchase order requests have not been acknowledged within two days.

“People are able to be more proactive,” comments Mina. “They have a plan they can work against, instead of just fighting fires. The visibility helps managers understand the business in terms of past, present, and future.”

Thirst for Competitive Advantage

According to Mina, CCMC users are very satisfied with the SAP software. "People realize how easy it is to work with this software," says the IT and telecom manager. "Our accounting and shop-floor personnel are all very happy with SAP ERP because it gives them accurate, complete information for decision making." The customer will be implementing SAP ERP to its sister companies in the group (three companies).

Looking forward, CCMC plans to expand its use of the SAP application. In addition to activating the plant maintenance software within SAP ERP, the company would like to install warehouse management and manufacturing functionality and perhaps a package to support its mobile warehouse devices. CCMC is also interested in implementing SAP BusinessObjects™ analytic applications to create dashboards for finance executives and operations leaders.

For the manufacturer of beverage cans, the SAP ERP deployment has been an all-around great success. Says Mina, "Our board of directors is convinced that we made the right choice when we opted for SAP ERP. And we like the prestige that comes from being able to say we are a company that uses SAP software."

Picture Credits

1: Consolidated Can Manufacturing Company Ltd., Jeddah, Saudi Arabia

50 103 402 (11/01)

©2010 SAP AG. All rights reserved.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP BusinessObjects Explorer, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects Software Ltd. in the United States and in other countries.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.