Case Study: Norkem

Overview

Norkem's bespoke financial accounting software package was struggling to cope in the face of expansion, intensifying the task of manual cross referencing processes across disparate systems. SAP Business One and Sapphire as a support partner seemed the best fit for their benefits and has since proved to be a good return on investment for the business.

Significant time savings across the company

Improved communication between offices with comprehensive picture of business growth

Single interface has improved ability to view and analyse data across the business

Multi-national product means system can be easily utilised globally

Objective

To reduce manual processes and increase transperency by adopting a complete system able to cope with rapid company expansion.

Solution

SAP Business One

Organisation

Norkem specialises in the sourcing and supply of an extensive portfolio of speciality and general chemicals used in a diverse range of industry applications. Established in 1970, the company has followed a path of continuing expansion and now has offices in Holland, the United Kingdom, Spain, China, Australia, North America and Chile.

Norkem's bespoke financial accounting software package was struggling to cope in the face of expansion, intensifying the task of manual cross referencing processes across disparate systems. The company began implementation of an integrated system, however it transpired the chosen partner wasn't able to deliver what was promised. Therefore Norkem went back to tender seeking another partner to take over the existing project.

Graham Heath, Norkem's Group ICT Manager, said there were several primary drivers when it came to the decision to select Sapphire as Norkem's new implementation partner. Although the SAP Business One system was already a strong contender, the decision to select this product over Sage and Microsoft Dynamics was partly down to the skills of the partners available to implement it.

"We were impressed with Sapphire's in-house skills and the support team, and it was also a bonus that Sapphire had a local presence, with their Manchester office close to Norkem's UK headquarters."

Graham said his team had confidence in Sapphire's extensive knowledge and such experience and capability was of more importance than price (although in this aspect Sapphire still matched other competitors).

"We had been burned once before, so it was vital to ensure the new partner selected second time around could deliver on their promises," he said. "We were impressed with Sapphire compared to the competition, and ultimately felt the company would grow as SAP Business One grew, and we were right. For instance Sapphire's global support coverage is very important for international rollouts, and we continue to build on an excellent working relationship with the team."

SAP Business One proves a good return on investment

Norkem initially installed version 6.5 of SAP Business One and have had several upgrades since this time.

Graham said he is confident the time savings alone would have ensured a return on investment within the first few years.

"An integrated system saves a significant amount of time, not just for the accounts team but the company in general. Previously the accounting team had to spend two or three days every month cross referencing everything across our various systems. SAP Business One has improved communication between offices, and does what we need it to do in a single interface. This has improved the ability to view and analyse data and increased transparency; we no longer have to phone accounts to find out basic information.

"Our ethos at Norkem is about building long term relationships, and Sapphire complements that. The capability of the team has never been an issue, from support to project management, Sapphire have always been knowledgeable and easy to communicate with."

Group ICT Manager, Norkem

"It is also a multi-national product – so we can roll it out to other offices without having to reinvent the wheel for each country. So far we have gone live in the Netherlands and Spain, and SAP Business One takes care of all the little details that we would otherwise have to consider, right down to local holiday dates. This ultimately provides a more comprehensive picture of the business and business growth," Graham said.

"We have worked with this product for nine years now and are still very pleased with the system. We do conduct reviews

of the marketplace, but find SAP Business One still comes out on top. Even though the competition has upped its game, so has SAP, and it is also of comfort to have the backing of one of the largest software vendors in the world. At the end of the day it has definitely been a reliable investment over the years - if it hadn't been we wouldn't still be using it," he said.

A valuable partner in Sapphire

Graham said Norkem is equally confident Sapphire is the best partner for the company.

"Sapphire has assisted us with three rollouts now, and the team continues to deliver, even when we require quick results. For example our Spain implementation from start to finish was only three months, which has to be some kind of record, and we achieved what was required. We have also had rollouts in the UK and Holland – so have somewhat perfected the process.

"Our ethos at Norkem is about building long term relationships, and Sapphire complements that. The capability of the team has never been an issue, from support to consultancy to project management, Sapphire have always been knowledgeable and easy to communicate with.

"The User Days they conduct are an added bonus, it is important to have an opportunity to meet with everyone including our account manager, consultants, representatives from SAP and other users; such networking opportunities are difficult to come by," he said.

Sapphire also designed a bespoke add-on for Norkem, which adjusts the way SAP handles information in a number of areas. For example, one component links business partners to specific item codes to limit what can be sold to them. This quality control measure ensures that customers do not accidently receive the wrong grade of a product.

Advice for others

Having undertaken numerous upgrades and international rollouts, Graham said there are some important factors to consider when implementing a new system.

"Firstly, don't underestimate the length of the process. The need to get internal staff on board and enthusiastic about the project from an early stage is a crucial part of this.

"Secondly, be prepared for the fact that it can be a frustrating process. No matter how prepared you are it will take a lot of

commitment from your company.

"The key is to ultilise the time spent with your Sapphire consultant efficiently. Ensure they are working on the high level issues, and simple things are covered by company employees.

"Choosing the right vendor is crucial; having had a negative experience ourselves I wouldn't wish that on anyone. It cost us a lot of time and money and delayed the whole process by a year. It also makes it harder for a new vendor taking on the project that has been left in a mess - in fact several did not want the responsibility of picking up the pieces. However Sapphire rose to the challenge," he said.

Norkem have plans to upgrade and potentially roll out another international database. Graham said he is also keen to ensure the team is effectively utilising all the features available, such as the Boyum usability pack.

"When SAP Business One went live we were only using around 60% of the modules and we now use around 90% – so we hope to keep developing this over time to ensure we are maximising the system," he concluded.

sapphire