Bumi Armada & ISS
Knots Ahead of The Rest

BUMIARMADA

1st in South-East Asia: SAP ERP 6.0, BI 7.0, Duet 1.5 and BPC5.1
State-of-the-Art Technology puts Bumi Armada "Knots Ahead Of The Rest"

Background

With close to 50 offshore support vessels in its fleet, Bumi Armada Berhad (BA) is now the largest owner and operator of offshore support vessels in Malaysia and an established and trusted service partner in the oil and gas industry. BA is also growing in Floating Production, Storage and Offloading (FPSO) Installation, and currently serves clients in South East Asia, Middle East and Africa.

As part of its aggressive expansion initiatives, the company embarked on a USD 320 mil new build project – Steel on Water 1 – which will see the delivery of 20 new vessels by 2009. In addition to Steel on Water !, Bumi Armada is managing the design, construction and commissioning of second FPSO and a lay barge. The company has 350 shore-based and over 1,000 offshore crew, spread across offices, branches and shore bases around the world.

Positioned as a Malaysian-based international company, Bumi Armada has emerged as a trusted brand with a passion for world-class business standards.

Business Issues

In BAB continuous search for improvement, they realized that their current stand-alone solutions do not provide the management with enough visibility of its business operations to meet business objectives and stakeholder interests. The expanding business faced difficulties in terms of reports consolidation especially for the finance department, which handles most of the processes. The consolidation of reports across the group was not of satisfactory level and it was not possible to accurately forecast and perform analytical business planning to ensure optimal performance of operations. Based on the arising issues, it was decided to implement an integrated Enterprise Resource Planning (ERP) software to streamline business operations across the group.

After much consideration, SAP ERP 6.0 was selected as their preferred ERP software and ISS Consulting as the implementation partner. Commenting on this, Chong Wai Choong, Vice President of Shared Services said, "We evaluated several offerings from various vendors and finally decided that SAP was the best fit for our current and future requirements. ISS was selected as the implementation partner based on their established track record and reputable customer references. They also were able to demonstrate a solid understanding of our business processes and requirements."

ISS CONSULTING
INTEGRATED SOFTWARE SOLUTIONS

SERVICES
SAP PARTNER

Project Scope & Duration

With this implementation, BAB would be the first organization in South-East Asia to implement SAP DUET 1.5, and the first company in Malaysia to use SAP Business Planning and Consolidation BPC 5.1 (previously known as Outlooksoft). Combined with the implementation of SAP ERP 6.0 and BI 7.0, BAB has successfully implemented a closed loop business software environment, allowing Management to turn strategic insight into executable action. The project objective was to provide visibility across the organization as well as analytical tools to transform BAB into a predictable enterprise.

SAP Duet 1.5, integrating SAP's BI 7.0 with MS Outlook, allows users to now receive reports automatically and directly in their Outlook E-mail. Due to the vast number of subsidiaries, BAB also required a system that could automate and simplify their current financial consolidation process. The implementation of SAP BPC 5.1 cuts down the time required for monthly consolidation, and provides management with a user-friendly interface for consolidated financial reports.

BAB has successfully implemented the full suite of SAP ERP 6.0 in less than six months. The project started mid-January 2008 and officially went live on 1 July 2008. The project was completed on time as per schedule.
"ISS was able to meet the tight project deadline through continuous support from their top management. The whole team put in a lot of effort, to ensure our requirements were met and that the ambitious target of implementing the system in 6 months was achieved", said Chong Wai Choong.

"The commitment of BAB's Management and the dedication of the team members within BAB have been significant contributors to the project success", added Harald Weinbrecht, CEO of ISS Consulting. "The cooperation and team spirit between the project members was fantastic, which allowed us to overcome all obstacles during the implementation and ensured that the project went live on time and target".

The methodology used was ISS' Triple-A Project Implementation Methodology, which encompasses SAP's Best Practices, a structured approach to training and knowledge transfer, and a formalized Change Management Methodology.

Training courses, interwoven with the Accelerated SAP (ASAP) approach were used to reduce resistance from the users towards the system. "This approach is crucial during the implementation as it enables the users to understand the importance of the system in their organisation and how they could benefit from it", says Michael Kim, responsible to ensure successful Change Management within this project. "Early initiatives to introduce SAP solutions i.e. road shows, interviews, surveys and ongoing training has helped us to gain general acceptance from the users. This was especially important for people not involved in the implementation" Both, the Bumi Armada Human Resource Department as well as the Corporate Communications Department supported the change management activities and were instrumental in ensuring that the users were ready to accept the new system upon going live.

Benefits from Implementation

Moving forward, BAB expects to further streamline their purchasing and supply chain processes while getting better transparency in their procurement cost and revenue management. The implemented solution will provide the ability to respond faster to AR collection, cost monitoring and month end closing procedure. Furthermore with the implementation of SAP ERP 6.0 in place, BAB will get better and timelier information for management decision-making and forecasting to meet growing demand.

 "Cutting down the month-end closing processing time was one of the major reasons for us to embark on this project. We now have financial visibility across the organization, and we were able to reduce overtime previously required to close the books and consolidate financial reports. ", said Chong Wai Choong.

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