



Sika relies on Microsoft Dynamics AX for better business agility

Organization Size: 13,482 employees

Organization Profile: Sika is a globally specialty chemicals company. Sika supplies to the building and construction industry as well as the manufacturing industries (automotive, bus, truck, rail, alternative energies, building components). Sika has a worldwide presence with subsidiaries in 74 countries. Sika achieved annual sales of CHF 4.4 billion (2010).

Business Situation: Different subsidiaries within Sika-IMEA used disparate versions of MS Dynamics AX. This resulted in no uniformity and accuracy of reporting or capturing of data for corporate forecasts.

Solution: With the help of Levtech, Sika implemented Microsoft Dynamics AX version 2009.

Benefits:

- Better visibility and Control
- Better business insight for informed decision/ forecast
- Scalable to growth
- Automated processes – click of a button
- Dedicated after support & resources

Vertical Industries: Manufacturing (Specialty Chemicals)

Country/Region: IMEA

Business Need: Business Productivity, Collaboration, Enterprise Project Management and Financial Management

“Levtech thoroughly understood the situation and what we were looking for and steered us in the right direction.”

Suman Mohammed, Regional IT Manager, Sika Services -IMEA

Sika is a globally specialty chemicals company that supplies to the building and construction industry as well as manufacturing industries (automotive, bus, truck, rail, alternative energies, building components). Sika chose Levtech to help them unify their system for better business efficiency

SITUATION

Founded in 1910, Sika has now become a globally specialty chemicals company with over 1,000 patent products behind its name. Sika supplies predominantly to the building and construction industry as well as the manufacturing industries (automotive, bus, truck, rail, alternative energies, building components). Fortune 500 companies like BMW and Mercedes form their growing customer base. Sika has a worldwide presence with over 13,482 employees in subsidiaries across 74 countries.

In 2010, Sika annual sales exceeded CHF 4.4 billion. Sika runs a hybrid of technology solutions from IBM, Oracle, SAP and Microsoft to serve several business functions and meet certain industry standards. While the Sika global (western counterparts) deploys Enterprise Resource Planning (ERP) from SAP; the other regions and IMEA (includes India, UAE, Turkey, Bahrain,

Qatar, Kuwait, Oman, Egypt, Iran and Iraq) region used disparate and older versions of Microsoft Dynamics Axapta (AX) to suit their local business requirement.

Benefits

- **Automated and integrated infrastructure offering better business insight and decision**

Microsoft Dynamics AX has reduced the complicated manufacturing processes. Previously, Sika relied on disparate version of AX to manage and report complex financial data manually. Now, users can access consolidated business data and manage processes across the enterprise at a click of a button – reducing efforts by 50 percent. Management and employees have increased control and insight using new functionalities and can now plan forecast more accurately. Due to the availability of real-time information, Sika has the ability to respond to changing market demands.

- **Scalable to Business Growth**

The system is scalable that recognizes and supports the organization's rapid demands and growth. "We definitely see the potential that will help us in our future growth," Suman added.

- **Increases Compliance**

The new solution fully supports regulatory compliance for the company. Statutory requirements with respect to excise, service tax, sales tax, taxes deducted at source (TDS) etc. are timely and easily calculated and taken care of.

This posed a number of challenges to Sika-IMEA when reporting data for corporate forecast/ decision making. Sika follows strict guidelines and deadline for reporting consolidated financial record into their global ERP system SAP in Switzerland. The system was implemented in a certain way and reports had to go in a different way. This meant that the subsidiaries would then upload the figures into Hyperia (Oracle) and then manually collate information onto excel. This was a laborious and manual process, which subsequently offered no uniformity or accuracy.

Suman Mohammed, Regional IT Manager who looks after the IMEA region said, "The issue was that it involved a lot of backend work by different units and we were not sure the data we were receiving was accurate.. We required a unified and automated platform for better collaboration and where management could receive a more sanitized data for quicker decision making."

With continuous growth and ever increasing demands, the company identified all the limitations and shortcomings of its existing/legacy systems. However, Sika-IMEA region were not early adopters of technology; so it was another challenge to bring in a change in the way they did things.

Sika adheres to a 'controller's handbook' that dictates its processes to be followed, the method of reporting and all the financial policies of Sika. The financial controllers in every country had to report their figures as per the guidelines of the controllers' handbook. Following a rigorous shortlisting exercise; the company evaluated other vendors, however most vendors were unable to analyze and map Sika business processes according to its requirement.

Suman said, “We had some specific asks from the system and hence wanted a robust accounting system that could capture data and enable users to access the system without any performance issues.”

Since Suman worked with Microsoft, they consulted their Gold Certified Partner – Levtech in 2009.

Solution

Levtech did a thorough scenario analysis at how Sika ran their business, their internal processes and what needed to change.

Under the expertise and direction of Jayshree and Sajith at Levtech; together they looked at how the system (SAP) was developed and adopted the same methodology.

Levtech’s team knew well that instead of fully-customizing the solution they would incorporate three core modules i.e. accounting, manufacturing and purchasing that was crucial to streamline Sika’s processes. Customization was done to a point where certain country requirements had to be met; such as taxation in India, Arabic in KSA and so on.

After thorough testing for 8 months; Sika and Levtech then together knit a template/framework that captured the firms processes and best practice solutions in a form of a template called the ‘TECOR’. Suman said, “Levtech thoroughly understood the situation and what we were looking for and steered us in the right direction.”

Sika then ran several pilots from their regional headquarters in Dubai and collaborated with other subsidiaries to test and get relevant feedback. The results revealed that 70 percent of their requirement was met. Both Sika and Levtech did few more rigorous testing until it was ready for implementation.

With the expertise and knowledge of the team (Levtech); the first implementation was done in 2009 in UAE within 5 – 6 months. The implementation ran in several phases to avoid any disruption of work/ services. The timelines were reduced considerably at every roll-out. IT administrator from every country worked very closely with Levtech to even out any inconsistencies and ensure the system was used to its full potential.

Using ‘training the trainer’ approach- Levtech trained key users from every unit. This enabled the user to gather the required skills / know-how to train other users within its department. As a commitment to Sika; Levtech went a step ahead to appoint dedicated and fully trained consultants and IT support desk at every region for any technical assistance.

Content with results, Suman said, “It has definitely exceeded our expectation and seeing better efficiency in the way we work. We now have standardized platform offering better collaboration and productivity – it’s like it speaks our language. Everything is automated offering improved visibility and control. With accurate information it will enhance decision

About Levtech Consulting:

Levtech Consulting is a leading business consulting firm servicing organizations across the globe through deploying a range of mission-critical business solutions. With strong experience in implementing and supporting business solutions, we strive to support organizational growth and foster performance through consultatively implementing ERP, CRM and BI applications.

For more information; please visit <http://levtechconsulting.com/>

About Microsoft Dynamics:

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

making capabilities significantly. We are looking toward an even stronger association with Levtech moving forward.”

<http://www.microsoft.com/en-us/dynamics/contact-us.aspx>