

Case Study

Business Transformation through ERP Design and Implementation

Building Supplies Distribution, Manufacturing and Retail Sales



**\$50M in
Anticipated
ROI over
5 years**

Business Challenge

North America's largest supplier of building materials to national builders, both retail and independent tradesmen, was experiencing difficulty in standardizing processes among 9 acquisitions across 4 geographic locations. This left the company with no global standards for processes or technology creating many sales and operational inefficiencies.

The client reached out to Hitachi Consulting (HCC) to assist them based on our 20+ years as a trusted Oracle partner and the deep level of industry experience the HCC Industrials team brought to the project.

Initial conversations revealed the following actions that needed to be taken:

- Consolidate, standardize, and simplify the technology platform
- Create an efficient, cost effective computer model
- Automation and optimization of major business process
- Define, Design, Develop, and Deployment of common business process enable by an industry standard Oracle platform

Approach

The HCC team, working onsite with the client, determined that the implementation of an Oracle E-Business Suite (EBS) would be the best application to address their business concerns.

The first step of the project included the delivery of Operational Change Management (OCM) services including a Communication Plan, Stakeholder Analysis, Change Readiness Assessment, Adoption Approach, Case for Change and On-going Communications. Next, a business case was developed that included an evaluation of the associated costs, work effort approximation and a final recommendation.

A heavy focus was given to Business Process Redesign activities to define processes and technology standards, as well as, Data Governance and Master Data Management to ensure maximum efficiency and sustainability.

The HCC team performed global design for all in-scope Oracle modules to ensure standardization of a very complex technical footprint.

Final EBS module implementation included:

- Accounts Receivable, General Ledger, Cash Management, Financial Reporting, and Oracle Business Intelligence Enterprise Edition (OBIEE)
- Purchasing, Order Management, Work in Process, Inventory Management, Advanced Pricing, Oracle Transportation Management (OTM), and Oracle Time and Labor (OTL)

Results

Through the solutions that were put in place, the client was able to see an improved process and financials including:

- Anticipated ROI exceeding \$50M over 5 years through the Oracle ERP and process re-engineering
- Benefit streams include:
 - Inventory Reduction
 - Decreased Daily Sales Outstanding (DSO)
 - Improved capture of vendor rebates
 - Decreased Cost of Goods Sold (COGS)

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Dallas, Wellington
14643 Dallas Parkway
Suite 800, Dallas, TX 75254
Tel: 214.665.7000
Fax: 214.665.7010

www.hitachiconsulting.com