



Manufacturer of **A.P. Green** Brands

Overview

Customers Details:

PT HARBISON-WALKER REFRACTORIES

Phone: +62 254 398750

Website: www.anhrefractories.com

Country or Region: Indonesia

Industry: Manufacturing

Customer Profile

PT Harbison-Walker Refractories is a fully-owned subsidiary of U.S.-based Harbison-Walker Refractories. It produces materials for the inside linings of high-temperature kilns and furnaces.

Business Situation

The company was unable to capture realtime data, its reports were always delayed and most of the activities were controlled manually. It needed a capable ERP solution that still fit its size.

Solution

Having asked around for suggestions and having seen presentations from three different solution vendors, the company decided to use Microsoft® Dynamics™ GP™ formerly known as Great Plains™.

Benefits

- Timely Reporting
- Greater Control
- Process Automatization
- Less Paper Mess

Software

1. Microsoft® Windows™
2. Microsoft Office™
3. Microsoft Dynamics™ GP™
 - FRx Reporting
 - Financials Management (GL, Budgeting, AR, AP, Bank Reconciliation)
 - Fixed Asset Management

REFRACTORIES MAKER GAINS CONTROL OF FINANCIALS AND OPERATIONS WITH MIDMARKET SOLUTION



“We were unable to choose an ERP solution until we learned about Great Plains and its acquisition by Microsoft. We were then convinced that its functionality and familiarity would suit a SMB like us.”

Donald Schlanker, *President Director, PT Harbison-Walker Refractories.*

PT Harbison-Walker Refractories was set up in 1996 as a direct subsidiary of the U.S.-based parent company by the name of ANH Refractories. It produces refractories materials for the inside linings for kilns and furnaces used by customers ranging from steel mills to pizza kitchens. At first, the company used the Platinum accounting system to manage its accounting data. As the company grew, the off-the-shelf package no longer provided the capability that the company required. Realizing that it did not need a full-fledged ERP system for its size, the subsidiary chose Microsoft® Dynamics GP™ formerly known as Microsoft Business Solutions-Great Plains™. Implementation was done by PT. Artha Infotama, a Microsoft Gold Certified Partner. The scalable ERP solution addressed the issues that it had in the past, including the delays in submitting end-of-month reports to the headquarters and the lack of controls over its operations.



- VAT Controller Management
- Procurement
- Supply Chain Management
- Work Order
- Materials Requirement
- Cost Product Calculation
- Bill Of Materials
- Human Resources Management
- Payroll Indonesia

Partners



Partners Details

PT Artha Infotama

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PT Artha Infotama is a fast growing of IT companies focusing in providing IT products, services, and solutions. It also provide a wide range of IT solutions; Microsoft Business Solutions ,e-Infrastructure, System Integration, Structured Cabling, LAN/WAN Design and Implementation, Software Acquisition, Workflow Application, Document Management, Business Intelligence, Intranet Portal, e-Commerce, Emerging Technologies, Custom Application Development, ERP, IT Books, Training and Consulting.

Product Solution Items

1. Deployment
2. Customization

For More Information

For more information please contact our customer service at 021 - 5155151

To access information using the World Wide Web, please go to

www.microsoft.com/imndonesia/casestudies
www.microsoft.com/asia/dynamics

For more information about PT Harbison-Walker Refractories products and services please contact us at

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Situation

Seeing a potential market for its heat insulation products in the booming Indonesian economy, the global, U.S.-based AP Green Industries (the first owner) decided to invest in a factory in Cilegon, Banten, Indonesia.

Operating efficiently with only 40 employees and invested more than USD 7 million, the subsidiary manufactures very high grade refractories, i.e., heat-resistant materials such as bricks and cement for the inside linings in extremely high temperature kilns, furnaces and ovens.

PT Harbison-Walker Refractories serves local customers such as ceramics manufacturers, the state oil company PERTAMINA and even the Pizza Hut chain. These are the companies that require refractories to insulate and manage heat, which is an integral part of their activities.

When it was first founded in 1996, the company used the Platinum accounting software to do its bookkeeping. "Over time, we could no longer rely on this product to do our accounting and reporting," said Mrs. Harina Poertiyanti, Plant Accountant and project manager, PT Harbison-Walker Refractories.

As it was more or less an self-contained accounting package, it did not integrate with the applications used in the other departments within the company. Reports, including end-of-month reports that the company had to submit to its headquarters in Pittsburg, Pennsylvania, U.S., took up to seven days to complete as they had to be manually prepared using the copy and paste method.

To go around the timing problem, the Indonesian subsidiary had to shift the cut-off date from the end of the month forward to the 28th or 29th and include the last two days accounting activities in the following report. Such a practice was not in compliance with general accounting principles.

With the existing accounting solution at that time, the company was unable to capture real-time data. "Evaluation and analysis had to be performed using Microsoft Excel™," added Harina. Production orders, delivery orders, tax invoices, etc., had to be prepared manually, too. Delays and entry errors were the order of those days.

The subsidiary needed an ERP that was appropriate for the size of its operation in Indonesia. "It had to come with built-in functionality that would meet the company's requirements. It also had to offer the right value for money, and it had to have local support," said Donald Schlanker, President Director, PT Harbison-Walker Refractories.

Solution

To make sure that it did not err in its selection process, PT. Harbison-Walker Refractories gathered as much information as it could from various sources, including the headquarters. The Pittsburg office used QAD, but it did not recommend the package due to its complexity. Company then invited solution vendors IFS, AccPac and Asimetris to make their presentation. "We even had two presentations from each of them," Mr. Donald said.

Even after the presentations, Donald and Harina remained unsure . "We were in the state of analysis paralysis as we had so much choice being offered to us," admitted Donald.

He also felt that the products had a relatively high price tags while their ability to meet his company's requirements were still unproven. During the stalemate he happened to read in The Jakarta Post that an accounting solution named Great Plains™ was custom-tailored and would be a good fit for small and medium-sized businesses.

He became interested in this product, as his main concern was to ensure that PT Harbison-Walker Refractories would not be buying the functionality that they did not need. "As our budget was not unlimited, we had to make our decision based on necessities and not on niceties," he said.

From the article in the Jakarta Post he also learned that Great Plains had been acquired by Microsoft. As it was being brought onto the Microsoft platform, familiarity would be taken for granted.

Donald believed that, logically, it would also shorten the implementation time, as Microsoft products was no stranger to application developers and implementers. No extensive training would be necessary for the users, as they have been using Microsoft Word, Excel and PowerPoint at their office on a daily basis.

“Over time, we no longer could rely on the old accounting software to do our accounting. Because the reports were created manually, we were always late in submitting them to our headquarters.”

Harina Poertiyanti
*Plant Accountant and project manager,
PT Harbison-Walker Refractories.*



“We had a positive out-of-the-box experience with Microsoft Dynamics GP, which now enables us to post our reports on a timely basis and improve controls over various aspects of our operations.”

Harina Poertiyanti
*Plant Accountant and project manager,
PT Harbison-Walker Refractories*

PT Harbison-Walker Refractories then contacted Artha Infotama, a Microsoft Gold Certified Microsoft Partner recommended by one of their acquaintances.

“Artha Infotama’s presentation was top notch,” commented Donald, “it clearly showed that the Microsoft Business Solutions-Great Plains had at least 80 percent of the functionality that we needed already built-in.”

Artha Infotama then started Phase 1 of the implementation at the company in September 2005, with the focus on the Financial module. Phase 2, which followed in 2006, focused on the manufacturing side.

Today, the refractories maker has bought all the modules of Microsoft Dynamics GP, including Financials Management, Distribution, Procurement, Bill Of Materials, Work Order, Materials Requirement, Human Resources, Payroll Indonesia, VAT Controller Management

Benefits

After years of working in a virtually manual environment without the ability to access to realtime data, PT Harbison-Walker Refractories is finally able to capitalize on an ERP that matches its size. “We had a great out-of-the-box experience with Microsoft Dynamics GP, and we are now able to deliver reports on timely basis,” said Harina, “We also have much improved control of our operations,” she added.

Timely Reporting

Using Microsoft Dynamics GP, the company has real-time visibility of its operation. It has the ability to produce reports on the most current status as required.

The end-of-month accounting is back to what it is supposed to be, i.e., on the last day of the month. The headquarters receives the report before the deadline, not after. “In addition, we are now able to keep track on each individual customer and see the aging status of their receivables in realtime,” said Harina.

Greater Control

Like in any manufacturing operations, control is critical to PT Harbison-Walker Refractories’ business health. This includes inventory control. “Our products have a limited shelf life, so we usually have a low stock level in our warehouse,” said Harina.

A product can have up to 16 different raw materials, so just-in-time delivery is also very crucial. “If the system reports a discrepancy with the actual stock of a particular raw material, the inventory staff will have to check what has happened and identify the problems.”

Process Automatization

Up to now, almost all of the raw materials for the refractories are imported. Due to fluctuations in the exchange rate, production cost may also change from time to time. As the formula for calculating the cost is already input into the system, the company now has some idea of the price at which they should offer the products to its customers. Quotations are no longer written manually.

Less Paper Mess

With the online integration among the departments, reports and other paper works no longer get lost in the stacks of other documents or in the drawers like they did.

“In addition to higher efficiency and effectiveness, over time we will surely see some savings on printer ink and paper,” said Donald.

“There is no such a thing as a perfect system, as every business is unique. However, we are convinced that we can work on the remaining issues,” said Donald, “it is more like a stone in the shoe. You take out the stone and the problem will immediately go away,” he added.

Overall, despite the need for further customization, PT Harbison-Walker Refractories finds that Microsoft Dynamics GP to be an ideal solution for its operations.

