

Microsoft Dynamics Customer Solution Brief

Large CPO Producer Boost Finance & Accounting Control Using Dynamic Business Solution



Overview

Customer: PT Multirada Multi Maju
Country or Region: Indonesia
Industry: Agro-Industry

Customer Profile

A foreign invested company, PT Multirada Multi Maju engages in oil palm plantation and CPO production. An office in Lahat and a head office in Jakarta serve the IT needs of three other companies.

Business Situation

PT Multirada Multi Maju needed a business solution that provided realtime data. It had to have online capability and could be accessed remotely. It also had to flexibly meet the companies' changing needs.

Solution

After a careful selection process, PT Multirada Multi Maju chose Microsoft® Great Plains® 9.0 as the features closely matched its requirements. PT Artha Infotama was trusted with the implementation.

Benefits

- Fast and accurate data
- Customizability
- Familiar environment
- Security with flexibility
- Modest infrastructure requirement

List Trade Marks other than Microsoft

- Citrix® Metaframe® Server 4.0

Software

- Microsoft® SQL® Server 2003 Server
- Microsoft® Windows® Server 2003 Standard
- Microsoft® Small Business® Server 2003

Hardware

- HP Proliant D1380 BA Servers

Partners

- PT Artha Infotama

Product Solution Items

- Microsoft® Great Plains® Version 9.0

“There is no single package that can address all of our pain points. Therefore we must find a business solution that we can customize to meet our needs without compromising data accuracy and security.”

Sagit Hartono Santoso
Chief Financial Officer
PT Multirada Multi Maju

Introduction

PT Multirada Multi Maju (MMM), an oil palm company, has changed hands a number of times. From 1996 to 2006, Kulim (Malaysia) Berhad owned the stake in MMM as well as two other oil palm companies that were also located around Lahat, South Sumatra. MMM's office in Lahat serves as the IT hub for the three companies. During the period, the data was entered using an internally developed application called DDCS, which was run independently at each of these sites. The data was sent directly to Malaysia, where it was compiled using DB Plan. The resulting reports were then sent back to the companies in Lahat and the Jakarta HO in hard copy. When Sologna Investments acquired MMM and its two sister companies in 2006, a new business solution was required. The choice was Microsoft® Great Plains® 9.0. With the help of the fully integrated applications, MMM has been able to solve its challenges.

Situation

PT Multirada Multi Maju (MMM) started operating in the early 1980s with oil palm plantation and crude palm oil production as its main businesses. Over the years, it has gone through a number of ownership changes. In 1996, Kulim (Malaysia) berhad acquired MMM along with two other oil palm companies PT Trimitra Sumber Perkasa and PT Padang Bolak Jaya. Their total combined area stood at 34,025 hectares. All the estates were located in the areas around Lahat, South Sumatra, where MMM also operates a CPO mill. The group's IT is centralized at MMM's local office in the town of Lahat, which also served as the extension to its headquarters in Jakarta and the Malaysia-based owner.

In 2006, the three companies were acquired by the Dutch Sologna Investments Group. Shortly thereafter PT Perjapin Prima, another oil palm plantation, was acquired as part of the expansion drive to meet rising global demand for CPO.

Prior to the transfer of the stake to Sologna, MMM relied on DDGS to do the accounting for all the three companies. The application, which Kulim had developed in house, was based on the older spreadsheet approach. “As I see it, the application was designed just as a data entry tool,” said Eka Fitri D. A., Finance & Accounting Manager, PT Multirada Multi Maju.

Data would be manually entered at the individual sites and then sent directly to Malaysia using floppy diskettes. At Kulim, the data was compiled in the form of standard monthly reports. The reports would then be distributed to the companies and MMM's head office in Jakarta in hard copy form. The Jakarta head office had no control over the data sent by the companies to the group's owner in Malaysia, nor did it have any access to any historical data.

The manual procedures in data capture and compilation, in addition to the use of hard copy, inevitably caused long delays in report creation. “Normally, we could only hold our management meeting at the 20th or even the 25th day of each month,” said Eka. “This resulted in a very inefficient management, marked by our lack of control and our inability to perform analysis,” she added.

When Kulim sold the three companies to Sologna, the Malaysian company suggested that the new management continue using DDCS. However, MMM was already aware of the challenges. First, this application was already at the end of its lifecycle and was no longer supported by its developer. Second, it did not meet MMM's requirements. Third, it was basically a manual data processing tool using standard spreadsheet applications. Therefore, after the acquisition by Sologna, MMM began its window shopping. Eka even spent a week in Djohor Baru, Malaysia, to look at the newest version of DB Plan. As it was not built with the latest technology, it had to be excluded from the list of candidates.

“We needed an online, realtime system that will provide us with the most current data no matter where we access it from,” said Sagit Hartono Santoso, Chief Financial Officer, Multirada Multi Maju.



"We needed an online system that could provide us with realtime data. The successful completion of the Activity Module convinced us that we had made the right decision in our selection."

*Eka Fitri D. A.
Accounting Manager
PT Multrada Multi Maju*

Solution

Every plantation is unique and each has its own set of requirements. "We were aware that no packaged business solution would completely fit our operation," said Sagit. Therefore, in their search for the best alternative MMM always focused on the flexibility and customizability. After careful evaluation of several competing products including finance and accounting packages from AccPac and Oracle, the company then decided to use Microsoft® Great Plains® (GP) Version 9.0.

Two Microsoft Authorized Partners offered their service, and MMM finally selected PT Artha Infotama as the partner to implement GP. "Once we had chosen the product, we had to exercise the same level of care in selecting the implementor," commented Sagit. "We felt comfortable working with Artha Infotama because of its impressive track records in project completions," he added.

The choice turned out to be a wise one. Artha Infotama was even able to develop a GP-based module for handling activities, which are the heart of every plantation. The company, for example, needs to know the actual production cost to enable it to set the right selling price. To get the right figure, every cost item in the production activity has to be recorded and included in the analysis. The use of heavy equipment including the tractors and the trucks, from the time they leave the pool until they return, also has to be recorded as activity reports.

Activities are also connected to the payroll, as individual workers may be doing different types of job throughout a work day, including cutting the grass and harvesting the fruit. A custom module is needed to record the various types of job that the individual worker does, how many hours he works on each task, etc. The data entered by his foreman will then determine the amount of his wage on payday. Such a module was not available in GP. It had to be developed as an additional module in the entire GP solution not as a linked external application.

To support the online and remote access, the companies have built a VSAT network that connects their sites to the Lahat local office and the Jakarta HO.

The project kickoff took place in July 2006. The actual implementation lasted from January 2007 to June 2007, and the systems' Go Live took place in August 2007. "We needed more time to complete the development of the Activity Module because we had to carefully study the complexity of each activity and accommodate the requirements in the module," said Stephen Hendry, Director, Artha Infotama.

Benefits

The introduction of the fully integrated GP business

solution into the companies, with MMM as the hub of their information system, dramatically changed the way they generate, manage and use their business data. In the financial and accounting area, the solution has made it possible for MMM to analyze the data and do a more accurate projection. Technically, users especially the members of the management, now have access to the realtime data from anywhere.

Fast and accurate data

In GP, data entered by the Site Administration Heads is immediately available on the system. Both the head office in Jakarta and the Site Administration Manager now have the ability to verify whether the data has been entered correctly. Built-in filters also help maximize data accuracy. More accurate data enables MMM to improve the management of its production. Audit functions are also available to further ensure data integrity. It also provides the management with a complete and reliable view of the business.

Because of the seamless integration of the system, the monthly financial report is now available by the 5th day of each month. "We have been able to move our monthly meeting at least 15 days ahead," said Eka.

Customizability

One of GP's important features is the support for multiple companies. "This feature enables us to use the same solution in all four companies and still maintain the level of integration," said Eka. "In addition, unlike the previous applications used in the companies, a new month can be started even when the preceding month's book was not yet closed," she added.

Familiar Environment

GP is built on Microsoft platform, which almost every user is familiar with. This allows them to be immediately productive. No extensive training has been necessary to familiarize them with the menu-driven interface. "What we had to do was teach them how to enter the data correctly," said Eka.

Security with Flexibility

All data, including payroll data, is completely encrypted. This maximizes the security and integrity of the data. "Data security is a very important feature that our previous applications failed to offer," said Sagit. "Yet, we still have the flexibility to customize the solution to match our evolving needs," he added.

Modest Infrastructure Requirement

Despite its impact on business processes, the solution does not require enterprise-scale infrastructure. It serves its purpose through a VSAT network that connects all the servers at the remote sites. Besides, the product was simple to deploy at the individual estates.

