

GoodHope Asia Holdings Gains More Purchasing Power, Generates Financial Reports Faster



GoodHope Asia Holdings Ltd
Colombo, Sri Lanka
www.goodhopeasia.com

Industry:

Natural Resources

Employees:

7,000

Oracle Products & Services:

Oracle Financials
Oracle Order Management
Oracle Purchasing
Oracle Human Capital
Management
Oracle Payroll
Hyperion Planning
Hyperion Strategic Finance
Oracle Business Intelligence
Enterprise Edition

“Oracle E-Business Suite has allowed GAHL to centralize our financial, human resources, and product ordering and trading operations, which has significantly reduced the cost associated with managing these functions across the group.” – Kevin DeSilva, IT Director, GoodHope Asia Holdings Ltd

GoodHope Asia Holdings Ltd (GAHL) is the holding company for overseas oil palm plantations run by Carson Cumberbatch PLC, an organization with interests in a diverse group of businesses in Colombo, Sri Lanka and across South East Asia. GAHL owns and operates plantations in Malaysia and Indonesia under the “Agro” banner.

In late 2005, GAHL realized the need to deploy centralized procurement, finance, HR, accounting, and other support functions to the plantations under a shared services arrangement. These services are provided from management support centers in Jakarta, Indonesia; Kuala Lumpur, Malaysia; and Colombo, Sri Lanka.

“Without these centralized functions, we were duplicating resources across the businesses in Indonesia and Malaysia,” said Kevin DeSilva, IT director, GAHL in Sri Lanka.

“Staff numbers across the group were increasing exponentially with growth. We were consolidating financials manually from different points, which was time consuming, and our data integrity was compromised because no internal controls existed.”

Between 2006 and 2007, GAHL deployed Oracle Financials, Oracle Order Management, Oracle Purchasing, Oracle Human Capital Management, and Oracle Payroll at its new regional offices in Jakarta, Kuala Lumpur, and Colombo to serve multiple locations with a single, consolidated platform.

“Oracle E-Business Suite has allowed GAHL to centralize our financial, human resources, product ordering and trading operations, which has significantly reduced the cost associated with managing these functions across the group,” said De Silva.

Key Benefits:

- Centralized the product purchasing function to give plantations more purchasing power with suppliers
- Enabled plantations to better plan orders and cash flow, cut shipping costs, and reduce the number of purchasing staff at each location by 50%
- Allowed plantations to complete financial reports in three days rather than two weeks
- Introduced a Web-based order management system that helped the plantations deliver products to market faster
- Reduced the time it takes to check inventory from days to minutes
- Enabled staff to view salary, annual leave, and other personal details online, reducing the call load on the payroll department

Consolidated Orders Provides Bargaining Power

GAHL in Jakarta has centralized product purchasing with the rollout of Oracle Purchasing. Under a shared services arrangement, eleven oil plantations in Malaysia and Indonesia use the solution to order fertilizer, chemicals, spare parts, and other materials required to run their operations. The orders are then consolidated, which gives the companies better buying power with suppliers.

“Each plantation was previously using a customized application that did not have the ability to negotiate for discounts with our suppliers,” said DeSilva. “With a consolidated system, they are placing larger orders as a group, which has resulted in significant savings.”

With Oracle Purchasing in place, GAHL has also eliminated the requirement to run purchasing units at each plantation. “The group can better plan orders and cash flow and cut shipping costs, while reducing the number of purchasing staff we need at each location by around 50%,” DeSilva said.

“Oracle Purchasing has also enabled us to better analyze inventory and decide when it makes sense to purchase products locally or as a group from the centralized system,” he said.

Consolidated Financial Reports in One Week

Oracle Financials is being used by around 40 companies within the Carson Group in Sri Lanka, Malaysia, and Indonesia. The centralized solution for GAHL, which is managed out of its office in Colombo, allows each company within the GAHL group to complete its financial reports in three days rather than weeks and even months.

It has also eliminated the time-consuming process of consolidating end-of-year financial reports from each company into one report. “This process used to take two to three months; now it can be done within a week,” said De Silva.

Oracle Financials also offers multicurrency reporting, a useful feature for a company that operates in several countries. “It could previously take two to three days to do currency conversions manually,” said De Silva. “Oracle Financials calculates the conversion rate instantly.”

Automated Order Management Speeds Time to Market

Oracle Order Management is being used by five oil palm plantations across Malaysia and Indonesia. These companies use the Web-based solution to manage customer orders and inventory, which helps the plantations deliver products to market faster.

“It’s a commodity market and the plantations need to manage inventory at each location,” said DeSilva. “Oracle Order Management makes this job easy by providing a way for staff to track the production and shipment of goods online, regardless of location.

“For example, a sales office in Malaysia can easily track details of a product that is being produced in Indonesia, which provides instant information about when it will be ready for sale,” said De Silva.

“Previously, plantations would call each other or send e-mails to check on inventory levels. This information would be fed through to the sales office and someone would have to spend time putting it all together. This process could take days; now inventory information is available almost immediately.”

Self-Service Payroll for Staff

GAHL has deployed Oracle Payroll and Oracle Human Resources in the Colombo office to manage payroll and recruitment activities for plantation staff in Indonesia. “Each plantation was previously using a customized payroll application at their locations; now only two staff in Colombo are handling payroll for the plantations,” said DeSilva.

Once salaries are processed, the information is sent to Oracle Human Resources and made available for staff to view online. “Staff can view all salary and annual leave details, and manage their personal information,” said DeSilva. “This takes the pressure off the payroll department because they don’t have to field calls from staff.”

Budgeting and Planning Process Streamlined

GAHL is in the process of deploying Oracle’s Hyperion Planning to reduce the time it takes the plantations to complete the annual budget process from four months to one month. Hyperion Planning will provide the plantations with centralized security of their planning data.

“The plantations will soon be able to set parameters around their budget assumptions and easily track changes to budgets and forecasts with a consolidated, centralized system,” said De Silva.

Why Oracle?

Oracle E-Business Suite was chosen over three other suppliers due to its functionality and fit with the organization’s requirements. “There were very few functional gaps that needed to be addressed,” said DeSilva.

“Oracle Financials in particular is very flexible and robust and can be modeled in any way we require. Oracle is also the only company that can provide an integrated end-to-end solution.”

Implementation Process

In June 2001, Carson engaged Oracle Certified Partner DMS Software Technologies to deploy Oracle Financials. The rollout took about nine months. This deployment was extended across GAHL during 2006.

In December 2007, Oracle Certified Partner PT Sigma Solusi Integrasi was engaged to deploy Oracle Purchasing and Oracle Order Management across the GAHL group. Oracle Payroll and Oracle Human Resources were deployed over five months from November 2008.

GoodHope Asia Holdings Ltd (GAHL) is the holding company for overseas oil palm plantations run by Carson Cumberbatch PLC, an organization with interests in a diverse group of businesses in Colombo, Sri Lanka and across South East Asia. GAHL owns and operates plantations in Malaysia and Indonesia under the “Agro” banner.