

JA Solar Shines a Light on Global Operations with Oracle E-Business Suite Release 12



JA Solar Holdings Co., Ltd
Shanghai, China
www.jasolar.com

Industry:

Industrial Manufacturing

Annual Revenue:

US\$776.5 million

Employees:

4,000

Oracle Products & Services:

Oracle Financials
Oracle Inventory Management
Oracle Order Management
Oracle Purchasing

Oracle Partner:

HAND Enterprise Solutions Co.,
Ltd
www.hand-china.com

“Oracle E-Business Suite provides effective support for our globalization strategy. The system has helped us streamline our supply chain and accounting processes, shorten reporting times, and enhance business intelligence. The constant innovation in technology, management, and marketing will help us become a world-leading solar cell manufacturer.” – Dr. Hsu, Chief Operating Officer, JA Solar Holdings Co., Ltd

Founded in 2005, JA Solar Holdings Co., Ltd is a manufacturer of high-performance solar cells. The company is advancing solar photovoltaics as a sustainable and financially viable solution to the world’s energy needs. Its customers are solar module manufacturers that assemble and integrate the solar cells into systems that convert sunlight into energy.

In February 2007, JA Solar listed on NASDAQ, raising more than US\$600 million in its initial public offering. The company’s rapid expansion following the IPO prompted a number of challenges in finance, sales, procurement, inventory, and supply chain management. It also needed to integrate and improve processes at head office, overseas branch offices, subsidiaries, and manufacturing facilities to support growth.

The senior management team decided to implement an advanced enterprise management system to realize its strategic goals, including integrating global resources, accelerating innovation in product and business development, and exploring new business opportunities. JA Solar engaged Oracle Certified Advantage Partner HAND Enterprise Solutions to build a new enterprise resource planning system based on E-Business Suite Release 12.0.5.

The Oracle system enabled the company to reinforce financial control, risk management, and information disclosure. The system has delivered significant improvements in the accuracy of sales plans, the timeliness of material supply, the efficiency of supply chains, and the consumption of inventory. As a result, JA Solar has built a solid foundation to expand its business.

Key Benefits:

- Improved financial management by enabling staff to track transactions back to the source
- Reduced manual workload by 75%, leading to a reduction in human error
- Cut account closing time to four to six days
- Strengthened inventory management and ensured there was always enough stock on hand to fill customer orders
- Simplified pricing by standardizing measurement units and conversion rates
- Supported informed decision-making through in-depth analysis
- Ensured compliance with Chinese and U.S. financial reporting regulations

Ensuring Compliance with Global Regulations

As a high-technology organization with global operations, JA Solar needed a sophisticated business management platform that met its unique business and industry needs. The platform also needed to help the company meet its reporting obligations under the Sarbanes-Oxley Act and Generally Accepted Accounting Principles in the U.S.

After evaluating a range of options, JA Solar management and IT staff concluded that Oracle E-Business Suite could provide the tools needed to manage its expanding global business, while meeting disclosure requirements and financial statements required by Chinese and U.S. regulators. JA Solar was also aware that Oracle had been successfully implemented at large manufacturing companies and that the highly integrated application suite encouraged information sharing between departments.

In January 2009, JA Solar went live on Oracle E-Business Suite, integrating business processes at head office, overseas branches, subsidiaries, and manufacturing facilities.

Account Closing Reduced to Four to Six Days

The Oracle finance system was integrated with a range of front-end business systems, enabling JA Solar to share data between different applications. By linking Oracle Accounts Receivable and Oracle Accounts Payable with front-end systems, finance staff can trace data back to the source. This makes it easier for them to check transactions, generate invoices, and make payments, leading to an all-round improvement in financial management.

To date, JA Solar has decreased its manual workload by 75%, which has led to a reduction in errors and the use of fewer paper documents. The company has also cut account closing time to four to six days.

Improved Inventory Control, Streamlined Supply Chains

The efficient use of inventory is key to controlling costs, particularly for a large manufacturing organization such as JA Solar. Oracle Inventory Management, Oracle Order Management, and Oracle Purchasing enabled the company to track the amount of raw materials at manufacturing facilities, compare stock levels against impending orders, analyze the reasons for any changes in inventory consumption, and place orders for the appropriate resources needed to fill an order. This has enabled JA Solar to

control inventory costs and shorten the manufacturing cycle (as the company can ensure there is always sufficient stock on hand to meet customer orders).

The Oracle system also enables JA Solar to collect data on contracts, repeat orders, and delivery deadlines, which help staff develop accurate distribution plans. This ensures the company can guarantee on-time delivery of raw materials to manufacturing sites, as well as finished products to customers.

More Accurate Pricing

As part of the Oracle implementation, JA Solar standardized business processes and material codes across subsidiaries to improve efficiency and make it easier for different groups to collaborate.

The company also established a double measurement system for inventory. The system has delivered significant improvements in the efficiency of supply chains, and the consumption of inventory. The Oracle system enables JA Solar to define different measurement units based on business demands and set standard conversion rates for inventory costs and selling prices. This simplifies pricing and ensures the process is more transparent and accurate, and makes it easier for the head office to consolidate financial statements across the group.

Supporting In-Depth Analysis

The rapid growth of the business requires close monitoring by senior managers, who must be kept updated on new developments and the performance of the company.

The Oracle system allows JA Solar to conduct multidimensional analysis on a range of business data, allowing managers to review business and market trends and relationships between business units. This not only supports informed decision-making, but enables managers to find new ways to improve processes and new opportunities to expand the company's customer base.

Why Oracle?

JA Solar looked at a number of ERP packages before deciding on Oracle, which offered a comprehensive solution, and strong track record in the manufacturing industry.

“The most attractive feature of Oracle E-Business Suite was the integration of different modules, which would enable different

groups and departments to share information,” said Dr. Hsu, chief operating officer of JA Solar. “The solution’s flexible architecture means it will be easy for us to reorganize our business, integrate additional systems or processes, and scale to support growth.”

Why HAND Information Technology?

The scale and complexity of the Oracle project required a partner with extensive implementation experience and a good understanding of the manufacturing business.

“HAND Information Technology has a long and rich history in management consulting and ERP deployments,” said Dr. Hsu. “The company has developed many Oracle ERP systems for large Chinese corporations, and its project management skills, implementation know-how, and responsive service proved invaluable during the project.”

Implementation Process

JA Solar went live on the Oracle platform in January 2009. The solution is used by the following subsidiaries: Shanghai; JA Solar Photovoltaic Science & Technology Co., Ltd, Yangzhou; JA Solar Photovoltaic Science & Technology Co.; JA Solar USA Inc.; and JA Development Co., Ltd. It is also used at a manufacturing facility in Hebei, China.

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