

KCC Engineering & Construction Cuts Monthly Reporting Time from 25 Days to 5 Days with Oracle E-Business Suite R12



KCC Engineering & Construction
Seoul, Korea
www.kccworld.net

Industry:
Engineering & Construction

Annual Revenue:
US\$746.7 million

Employees:
800

Oracle Products & Services:
Oracle Financials

“We chose Oracle E-Business Suite R12 to build an enterprise resource planning system that had the agility to respond to a rapidly changing environment. The Oracle system has eliminated uncertainties and strengthened our predictive capabilities. This puts us in a good position to become South Korea’s leading construction and engineering company.”
– Park Chung-Bin, Team Manager, Process Innovation ITeam, KCC Engineering & Construction

KCC Engineering & Construction (KCC E&C) is one of South Korea’s leading building companies. It has developed and constructed residential housing, commercial buildings, industrial plants, and civic works such as railroads, bridges, expressways, dams, and sewerage systems. KCC E&C has received numerous accolades for its work, including the Korean Architecture Award from the Ministry of Land, Transport, and Maritime Affairs, and several Presidential commendations and medals. The company has achieved ISO 9001 and ISO 14001 certifications.

KCC E&C is aiming to become the foremost residential apartment builder within the next two to three years. To achieve this, the company decided to implement an enterprise resource planning (ERP) system that could be adapted to meet rapidly changing business requirements.

In May 2009, KCC E&C went live on a new ERP system based on Oracle E-Business Suite Release 12. By implementing Oracle Financials, the company has cut month-end closing time from 25 days to 5 days, enabled critical business data to be easily shared across the organization, and enhanced its forecasting abilities.

The Need for a Flexible ERP System

Projects in the construction industry have long lead times and lifecycles, with opportunities to extend contracts and continue providing service after construction is completed. It is also an industry that is sensitive to the external business environment, where events such as the global financial crisis can have a significant and lasting impact on impending and present projects.

Key Benefits:

- Cut month-end reporting time from 25 days to 5 days
- Improved performance as a result of more accurate profitability estimations during the selling stage
- Enhanced risk management by enabling staff to spot and address any anomalies
- Reduced the time needed to compare and confirm data and acquire, review, report, and deliver information
- Enabled reports to be generated based on existing content submitted by different departments
- Ensured business data could be easily shared across the organization

The volatility of the sector requires flexible systems and business models that can be quickly adapted to accommodate market changes and minimize risk. Following staff interviews and internal benchmarking, KCC E&C decided to implement a new ERP system that would ensure it could meet these objectives.

Month-End Closing Period Cut to Five Days

KCC E&C implemented Oracle E-Business Suite R12 as the basis of its new ERP system. The company deployed Oracle Financials in its accounting and finance division, which enabled it to automate financial management processes and shorten month-end closing time from 25 days to 5 days. The system reduced the time needed to compare and confirm data and acquire, review, report, and deliver information. Reports could also be generated based on existing content submitted by different departments.

Improved Forecasting Ability

The Oracle system has enabled KCC E&C to accumulate and share critical business data in a timely manner and enhanced the company's forecasting capabilities. The company can determine the project completion schedule and undertake more accurate estimations of profitability during the selling stage, which has led to improved performance. Risk management has also been strengthened, as staff can spot and address any anomalies before they impact the business.

KCC E&C has also implemented self-developed international financial reporting standards (which all listed companies in South Korea must adopt by 2011) to the Oracle Financials system.

Why Oracle?

KCC E&C was looking for an ERP solution that was easy to integrate, scalable, and flexible. It also had to include best practice processes that would enable the company to improve efficiency. In addition, KCC E&C required a solution that was compatible with the Microsoft Windows platform, as most of its applications operated in this environment.

After evaluating a range of solutions, KCC E&C selected Oracle E-Business Suite R12 as the solution fulfilled all its requirements.

Implementation Process

Before deploying the Oracle solution, KCC E&C reviewed its needs and identified 162 issues across the business that needed addressing. In April 2008, the company began implementing Oracle Financials in the following business areas: order receiving, marketing, quotations, subcontracting, materials, sales management, financial accounting; and management accounting. After two months of stabilization, the system was officially launched in May 2009.

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