

CASE STUDY: CHH Building Supplies Group  
upgrades to SAP ERP6



A UXC COMPANY



## COMPLEX CHH UPGRADE SIMPLIFIES CUSTOMER ORDERING PROCESS

Oxygen Business Solutions has completed a complex upgrade from SAP 4.5B to SAP ERP6 for CHH Building Supplies (CHH) allowing the leading building products manufacturer to provide a simpler way for its customers to do business with the company.

Prior to the upgrade, the company had a number of stand-alone processes operating under different ERPs across its plants in Australia and New Zealand. This was causing business and reporting complexity, with CHH customers subjected to convoluted and inefficient ordering, invoicing and administrative processes.

As a result CHH's customers were drowning in paper. They often received multiple orders, invoices and statements which made it difficult to work out what had been ordered and paid for. CHH wanted to streamline customer ordering and fulfilment processes by implementing one supported ERP system and one set of processes across the whole business.

The upgrade from SAP 4.5B to ERP6 incorporated the introduction of a new general ledger, together with the reimplementing and retesting of SAP BI7 and SCM, and included the introduction of SAP CRM across all of CHH's customer service operations.

As part of the upgrade project Oxygen developed rules-based global availability-to-promise (GATP) technology – a combination of CRM and SCM functionality that has improved CHH's customer ordering process. Before this CHH struggled to fulfil orders that required products to be sourced from different plants. Using this technology all of CHH customer services centres can now quickly establish a confirmed order quantity, delivery date and shipping cost for each customer order.

CHH Chief Financial Officer, Ian Brannan, says, "The upgrade has improved our administrative processing immeasurably. The documentation we now send customers is timely, concise and consistent. We have reduced the incidence of pricing discrepancies between order and invoice significantly. Instead of receiving multiple invoices and statements, our customers now receive one bill and one statement – no matter where it was ordered from, picked, packed or shipped from."

"Our customer service representatives now have full product range visibility which has allowed them to significantly improve the timely and accurate fulfilment of customer orders."

Ian Brannan,  
Chief Financial Officer, CHH

“Thanks to the one SAP platform solution and the new SAP CRM and SCM processes we can engage and partner with our key customers to deliver the value added solutions they are striving for.”

Ian Brannan, Chief Financial Officer, CHH

## THE BUSINESS CHALLENGE

- CHH's B2B processing was complex due to disparate systems and processes across its businesses
- Customers were subjected to convoluted and inefficient ordering, invoicing and administrative processes
- CHH struggled to fulfil orders that required it to source products from across different plants
- No visibility of what products were available, when they were available and how much they would cost the customer to ship

## THE OXYGEN SOLUTION

- Streamline customer ordering and fulfilment processes by implementing one supported ERP system and one set of processes across the whole business
- Move all CHH businesses to SAP and perform technical upgrade from SAP 4.5B sites to ERP6
- Move the technology platform to Windows/ Intel

- Move Oracle DBMS to MS-SQL
- Upgrade SAP BW3.5 to BW 7.1 and upgrade SAP Solution Manager
- Install an SAP CRM front end for complaints in New Zealand and implement CRM and SCM in Australia
- Develop detailed cutover plans for 60 sites to mitigate of 'loss of business' risks

## RETURN ON INVESTMENT

- Simplified ordering process has reduced paperwork and improved order fulfilment
- Rationalised IT systems helps CHH provide timelier customer service and has reduced operating costs
- The introduction of standardised key performance indicators and defined conversion costs has allowed CHH to introduce standardised benchmarking
- Better management level visibility of business performance enables problems to be identified and rectified rapidly

## CUSTOMER PROFILE

Carter Holt Harvey Building Supplies is Australasia's premier manufacturer of wood based building materials and a leading supplier of these products and other building materials to the trade in New Zealand. Formed in 2007, it consolidates all of Carter Holt Harvey's building supplies businesses into a single business comprising three units - Woodproducts Australia, Woodproducts New Zealand and Carters. The business has total sales of over A\$2.1 billion and employs more than 5,000 people in Australia and New Zealand. Carter Holt Harvey is strategically located across Australia and New Zealand.

