

TOP TO BOTTOM

we know

they know

END TO END

## Motion Industries Limited gains best-practice solution with SAP software on IBM System i

### Overview

#### ■ The Challenge

*The new management team at Motion Industries Limited wished to reduce operational expenses by optimizing inventory levels and improving distribution process. Existing software required intensive ad-hoc queries and manual analysis to deliver the required business information. Motion Industries Ltd looked for a technology solution capable of automating much of the reporting and analysis, and enabling ambitious business plans for improving market share with its product range.*

#### ■ The Solution

*Motion Industries Ltd implemented a qualified SAP Business All-in-One solution from Soltius, running on an IBM System i 520 server. A second i520 was introduced to run test and development environments and to provide disaster recovery capabilities.*

#### ■ The Benefits

*Reporting, analysis and control of stock is now based on accurate sales-forecasting data generated automatically by the SAP software. A lower inventory level releases capital for productive use elsewhere in Motion Industries Ltd, and automated report production has eliminated costly manual processing tasks. The extensibility and scalability of the SAP software and the IBM hardware has positioned Motion Industries Ltd for the next step in extending its information to both customers and suppliers.*

#### ■ Key Solution Components

*Industry: Wholesale Distribution  
Applications: SAP® Business All-in-One for Wholesale Distribution, based on SAP ERP 6.0  
Hardware: IBM System i™ 520  
Software: IBM i5/OS® V5R4  
Services: Soltius NZ*

Motion Industries Limited is New Zealand's leading supplier of bearings and power transmission products and services. Formed in a management buyout, the company has 180 employees with a 27-branch wholly owned network of distributors, covering the whole of the country. A further 35 exclusive dealerships and resellers complete the picture for this ISO9001-accredited company.

A key feature of Motion Industries Ltd's success has been the inventive and innovative use of technology, which allows even the most remote branch to commit to on-time deliveries of critical components, even after business hours and in emergencies.

Reducing inventory levels was a key objective for Motion Industries Ltd, as this would release capital and help to cut administrative and operational costs. Sales forecasts, which would help Motion Industries Ltd match supplier production and inventory holdings more closely to demand, were produced manually using ad-hoc reports generated from existing



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Justin Reay  
IT Manager  
Motion Industries Ltd

software, a time-consuming task. The management team also wanted to introduce activity-based costing (ABC), to help understand and remodel business processes. ABC capability was not available in the existing software package, which had already been extensively modified, and it would have required significant development effort to create the necessary functionality.

Justin Reay, IT Manager at Motion Industries Ltd, comments, “We had ended up with a host of ad-hoc query reports, so it was a monumental task to run costing. The software did not handle stock as efficiently as we would have liked; we wanted to be able to make forecasts on purchases, and this just wasn’t happening.

“The purchasing managers required in-depth skills to be able to plan for sales spikes, and we were looking for a way to simplify and automate all of this.”

### **Simplifying with System i**

Motion Industries Ltd had been running IMAS ERP software on AS/400 servers, the predecessors of the modern IBM System i family. To map out a system that would address the inventory, ABC and related business issues, Motion Industries Ltd engaged Soltius, an IT solution provider specializing in ERP and business intelligence.

Soltius recommended the SAP Business All-in-One for Wholesale Distribution solution. The solution includes finance, controlling, sales and distribution, materials management, logistics execution and customer services applications, pre-configured for the needs of a wholesale distribution company.

“The key to the new system is its simplicity,” says Justin Reay. “We were pretty daunted by the idea of changing to a new ERP system, and with all the unknowns, there was a good deal of change management involved. During the whole implementation and roll-out project, Motion Industries Ltd was supported by IBM, who did a great job in assisting us with the IBM System i server sizing and implementation, and by Soltius, who provided ongoing support for the SAP software configuration.”

Motion Industries Ltd implemented two IBM System i 520 servers, one for production and the second for test and development purposes. The second i520 also acts as a disaster recovery server; should catastrophe strike and the primary server be disabled, a



mirrored copy of current data and applications is available for resumption of operations on the remaining server.

“One of the key benefits of running SAP software on the IBM System i platform is that you eliminate database administration altogether by using the IBM DB2 software integrated in the operating system,” says Justin Reay.

“Backup and recovery are also much easier, and the system as a whole is very stable. We have had no outages at all, and the System i platform is just about the most scalable solution around.”

#### **Delivering transparency and speed**

Motion Industries Ltd is now able to examine and control inventory levels based on sales forecasts generated directly from the SAP software. The intensive manual processes and ad-hoc queries have been replaced with automated reporting, which reduces management workload and accelerates decision-making.

“The SAP Business All-in-One solution improves our visibility of business performance and enables rapid drill-down into the details,” remarks Justin Reay. “We can interrogate the system at any time, which helps us keep track of stocks. There will definitely be a financial benefit over time, with a clear reduction in errors.”

Mike Donovan, Managing Director of Motion Industries Ltd, comments, “Motion Industries Ltd operates in an increasingly competitive environment and it needed a system that could

provide a greater degree of flexibility than the existing software. We looked at the options available and focused on obtaining a solution that was based on best practice, which is why we selected the SAP Business All-in-One solution from Soltius. I am confident this solution will give our team a higher level of operational efficiency and enable us to respond more rapidly and effectively to customer demands.”

#### **Unlocking future benefits**

The IBM System i platform supports a total of 180 users, with a total database of 1TB. The scalable architecture of the i520 and the modular nature of the SAP applications means that Motion Industries Ltd is now able to extend its capabilities according to the precise business needs, enabled by appropriate technology.

Justin Reay explains the future plans: “We want our system to be transparent to our customers and suppliers, who will benefit from having the right stock in the right place at the right time. We also plan to provide them with more detailed stock information, perhaps through portal technologies, and for large customers which need just-in-time deliveries and KPI reporting, the SAP software will be able to provide this.”

Mike Donovan concludes, “The Soltius Wholesale Distribution solution based on the SAP Business All-in-One software is helping Motion Industries Ltd to improve stock planning and sales forecasting, thereby enhancing our ability to provide rapid and accurate solutions to our customers.”

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