

IFS Applications™ improves managerial structure and contributes to better handling of resources

The installation of IFS Financials™ and IFS Distribution™ at the Krapkowice paper mill in Poland brought the company the benefits of increased efficiency, lower costs and greater control of inventory that come with operating an integrated system. As the system has been deployed incrementally, the company has avoided the traumatic, time-consuming, and often very costly, experience of a “Big Bang” implementation.



The problem

Zakłady Papiernicze w Krapkowicach S.A. is a medium-sized company, but has a significant share of the Polish market—about 30% of paper bags and 15% of hygiene-related products. Although most of the production is consumed domestically, exports amount to 14% of sales.

Aware that swift access to synthetic managerial data allows better management of company resources and conscious of the need to modernize its management

structure, the company examined its IT systems. As a result of unsatisfactory attempts to integrate the wide range of software in use, both third party and software developed in-house, an interest arose in installing an integrated system.

The solution

The selection of a uniform company-wide system was based on rigorous criteria. To begin with, the quality of the software was vital. Second, references from the Polish market in the form of successful implementations were very important. And finally, the closeness of the vendor to the customer was a further decisive factor.

“In our opinion, IFS, with its comprehensive resources, stood out among the companies in the market. IFS had its own highly qualified implementation experts and programmers based in Poland, who were capable of adapting the program to specific customer requirements,” says Jaroslaw Michnik, head of the Corporate Processing Center at the paper mill.

Implementation

In addition to software and technical support, IFS proposed a swift and effective implementation methodology. Furthermore, the support of the Board and the establishment of an appropriate organizational structure were of paramount importance to the success of the project. Implementation teams were established in March-April 1996, and by June the same year the work of implementing IFS Applications™ was in full swing. Two systems were implemented in parallel—IFS Financials™ and IFS Distribution™.

Jaroslaw Michnik, head of the Corporate Processing Center: “After only six months of implementation, on 1 January 1997, we abandoned the previous computer

programs. The principle of a minimum of changes in the IFS programs was adopted, as these programs are used throughout the world and are thus adapted to the work organization used in highly industrialized countries. We tried instead to adapt ourselves to the functionality of the programs. We believe that such an approach and the very short implementation period contributed significantly to minimizing implementation expenditures.”

Benefits

IFS Applications™, with 50 concurrent users, is now in its second year of operation. The stage of prospecting the program's capabilities is a thing of the past. Of the four solutions to be ultimately implemented in the company two are already in operation: IFS Financials™ and IFS Distribution™, with IFS Maintenance™ and IFS Manufacturing™ scheduled to be implemented in the near future.

Thus far the IFS Distribution™ system exceeds all the functionality of the computer system used previously. The new system includes much wider areas of company operations. For example, the old system did not handle procurement or support export. IFS Distribution™ supports the entire sales cycle, from order and credit control to warehouse dispatch and invoicing. Moreover, all purchasing services use the new system. Added to this is the fact that all warehouses are maintained and reconciled in the new system, resulting in complete integration of operations.

With IFS Financials™ recording all the financial aspects of business events occurring at the company, the information required to ensure efficient management is always at hand. And there is more to come. Jaroslaw Michnik: “Currently we are working on the next version of the IFS Applications™ system, running in the Windows graphical environment. It

implements several new functionalities of interest to us. Besides a uniform attractive graphical interface (Windows) it is Year 2000 compliant.

The management support software is used for the acquisition and aggregation of data. All events are recorded once, as near to the origin as possible. So, for example, people who previously performed only inventory transactions now classify them as well. Therefore documents do not have to be classified at the accounting departments any more; moreover, the unwieldy paper-based documentation that was characteristic of the previous system has been discontinued. The IFS software uses the data collected to generate reports which show different aspects of the operations at various departments. Decisions based on these reports very often have a tangible financial nature, such as giving appropriate customer discounts, waiving parts of arrears, decreasing inventory levels through a decrease in the safe threshold or by automatically generating purchase orders.

“We are looking forward to the implementation of IFS Maintenance™ and IFS Manufacturing™, which will further improve savings and efficiency, and decrease costs, making us more competitive and better able to satisfy the needs of our customers,” adds Jaroslaw Michnik.

Software

IFS Financials™, IFS Distribution™, IFS Maintenance™ and IFS Manufacturing™ are scheduled to be implemented. Oracle database

Hardware

Unix (IBM/AIX) - RS 6000

Work stations—around 80 with 50 concurrent users, compatible with IBM PC with emulated terminals.