

Success Story

“Most of CCT Tech’s strategic partners have been the SAP users, we are more than confident to choose SAP.”

Mr. C.H. Tong, Managing Director of CCT Tech.



CCTTECH

CCT Tech is growing its business with the aim of becoming a leading global provider of telecom products. In line with this objective, CCT Tech has selected mySAP Business Suite as its in-house ERP system to streamline its operating procedures and to enhance the company’s international competitiveness

A LEADING TELECOM PRODUCTS MANUFACTURER – CCT TECH

CCT Tech International Limited (“CCT Tech”), listed on the Hong Kong Stock Exchange, is one of the world’s major cordless phone manufacturers, and currently acts as an ODM and OEM partner to leading telecom giants. CCT Tech’s manufacturing business is well-established and has earned the trust of many international enterprises of internationally renowned brands in the world. CCT Tech currently supplies a variety of hi-tech telecom products including 900MHz, 2.4GHz, 5.8GHz cordless phones, DECT phones and family radio systems to US, Europe, Asia Pacific and PRC. CCT Tech invests heavily in research and development and maintains a world-class research and development team of over 500 staff specialized in the development of high radio frequency telecom products. Given the current production volume of approximately over 30,000,000 pieces of phones per annum, CCT Tech is able to command various sourcing and procurement advantages within the electronics industry, and able to enjoy economies of scale with its world-class production facilities located in Huiyang and Dongguan of PRC. CCT Tech is flexible, market driven and cost oriented. Equipped with a worldwide knowledge in high radio frequency telecom products, a quality product development and manufacturing process, and a market driven approach, the telecom products business has recorded a compound growth rate of over 27% per annum over the past five years. With a 20,000 strong workforce, the telecom products business achieved a full year sales of over HK\$3 billions in 2003.



To stay ahead in the global competition, companies typically focus on delivering quality products and services to customers. In recent years, the IT infrastructure plays an increasingly important role in supporting the information processing systems and communication channels in order to achieve operational efficiency and long term profitability. This is also crucial to CCT Tech that strives for market leadership in highly competitive telecommunications arena. Thus the company identified the need to streamline the functional processes including financial, production, logistics, sales and marketing to provide more instant and accurate information to the management for decision making and implementing better control over its HK and China operations.

“Our goal is obvious: to become the highest volume telecom products manufacturer in the worldwide market. In the past, we invested a lot in R&D. However, we quickly recognized that the rule of the game is no longer limited to product quality but efficiency and scalability,” said Mr. C. H. Tong, Managing Director of CCT Tech.

“To sustain the over-whelming growth in the next decade, we need the help of information technology to let us survive and thrive in this highly competitive market.”

At the time, the legacy system barely supported the information sharing by more parties at the same time. The processing power was overloaded and became a burden. Therefore the company looked for a strategic partner who can fully understand the industry and company environment and deliver a more scalable and comprehensive IT solution.

SUPPORTING THE ROLLOUT OF CCT TECH'S STRATEGIC BLUEPRINT

After the first evaluation process, a few well-known ERP solution providers were on the list. The vital criterion was to best realize the company's blueprint in a long run. Impressed by SAP's proven and sound track record, CCT Tech found that SAP has comprehensive portfolio of solutions tailored made to the specific standards, processes, and challenges of companies operating in the high-tech industry. The modular nature of the SAP solutions is more flexible for seamless integration and streamlined implementation. What's more, SAP solution offers relatively unlimited scalability that is designed for dynamic market changes and future growth.

With a web-based portal, SAP Business Suite also enables CCT Tech to collaborate with its suppliers for resources planning, production schedule, on-time delivery of products and services.



5.8 GHz cordless phones



CCT Tech's Huiyang Manufacturing Complex

BEST-RUN BUSINESS PAVES THE WAY FOR BEST RETURN

The company is implementing mySAP Business Suite in phases. A specialized team comprising CCT Tech internal staff and SAP consultants was formed to manage the overall planning and implementation of mySAP Business Suite, with the strong support of senior management. It took less than four months to implement and launch the new SAP e-business solutions.

Five SAP modules, including Financial, Controlling, Sales and Distribution, Production Planning and Material Management were implemented in phase one.

The thoroughly planned implementation, strong top management support, and increased user acceptance for over 100 end-users ensured a smooth transition for CCT Tech's new systems.

“The mySAP Business Suite solution has proven a key driver in CCT Tech's efforts to increase productivity, and to-date has generated a number of clearly identifiable benefits,” said Mr. Victor Y H Ho, Finance Director of CCT Telecom (HK) Ltd, the principal operating arm of CCT Tech.

First, it has ensured easy access to up-to-date information, and enhanced communication between CCT Tech's Hong Kong and Mainland China offices. This has given CCT Tech a clearer view of the company's performance, allowing it to capture valuable, timely business intelligence from across the extended enterprise. Specifically, it has enabled the company to carry out an in-depth cost analysis, achieve more accurate cost control planning, and has allowed CCT Tech to make more timely management decisions.

“Before implementing the SAP solutions, communication and sharing of business information were great challenges. Much time used to spend on checking and verifying sales figures and order details, which involved large amounts of paper work and manual effort. Now, we can review our sales and certain production data instantly, and the sharing of enterprise-wide information to facilitate timely decision-making,” added Mr. Ho.



A cell production line in CCT Tech's Huiyang Manufacturing Plant

Increased standardized input data, and large number of automated processes throughout the organization have resulted in easy access for users to relevant reports. Decision makers and business planners have also benefited from richer data delivered in a more practical, electronic reporting format.

CCT Tech has streamlined its operations and improved inventory management with the SAP implementation. SAP solutions empower companies to effectively manage

and track their inventory. The procurement processes have provided better management and control of inventories, increased efficiencies and reduced administrative costs. Now, CCT Tech has achieved 99.99% accuracy in inventory management, and can easily track and locate different products. “Most importantly, SAP allows CCT Tech to operate a “consignment stock” program with our suppliers, which was not possible with our previous ERP system. This enables CCT Tech to ensure continuous supplies of common parts while at the same time helps to improve its working capital cycle to enhance cash-flow position,” continued Mr. Ho.



SMT production lines



Bonding lines



CCT Tech's Dongguan
Manufacturing Complex

CCT TECH MOVING FORWARD

CCT Tech has developed a strategic road map to guide it to long-term success, and the deployment of mySAP Business Suite solutions is the first step in realizing this vision. "Building on a highly flexible and scalable platform, CCT Tech is planning for the next phase of IT implementation to bloom its operational efficiency, which includes e-procurement platform, shop-floor management, paperless workflow environment and supply chain management solutions," outlined by Mr. Ho.

It is believed that with sophisticated business intelligence tools, CCT Tech is able to synchronise its supply chain activities with its partners, optimise capacity utilisation, and ultimately realise its goal to become a worldwide dominate telecom products supplier.

"We can't imagine without SAP roll-out. This is a must for CCT Tech to move onto SAP platform for long-term profitability and dramatic growth," Mr. Tong pointed out. CCT Tech values the relationship with SAP in achieving a new business height in telecom products manufacture.

Technical Specifications

SAP Modules:

Controlling (CO)
Financial (FI),
Material Management (MM)
Production Planning (PP)
Sales and Distribution (SD)

Hardware Platform:

Sun Microsystems

Operating System:

UNIX

Database System:

Oracle



2.4 GHz series

THE BEST-RUN BUSINESSES RUN SAP™



SAP Hong Kong

Suite 1111-1114, 11/F., Cityplaza 4, 12 Taikoo Wan Road, Taikoo Shing, Hong Kong.
T 852.2539.1800 F 852.2539.1888 www.sap.com/hk

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