



CUSTOMER SUCCESS STORY

CUSTOMER

Shanghai Petrofer Special Lubricating Agent Co., Ltd.

INDUSTRY

Lubricant manufacturing

LOCATION

Pudong, Shanghai

Number of Locations

One

Number of Employees

120

SYSTEM

Sage PFW

Modules in Operation

- Accounts Payable
- Accounts Receivable
- Bank Book
- Formulas
- Inventory Pro
- Multi-Currency Manager
- Premier Ledger
- Production
- Purchasing Pro

Shanghai Petrofer's Wheels Run Smoother With Sage PFW

"What does it cost to produce each of our 100 different products? And how can we make them faster and more cost-effectively?"

With manual tracking of both financial and manufacturing operations, it was almost impossible for Shanghai Petrofer to know. The company makes specialized lubricants for technical, warehouse, and industrial uses such as automobile, high-quality paper, and telecommunication cable manufacturing. With a healthy growth rate and customers spanning Asia from Korea to Indonesia, Shanghai Petrofer needed to automate all aspects of its daily work.

"The Sage PFW ERP system was an obvious choice because it is organized the same way we are," says Cindy Gao, financial controller. "Combining a terrific financial package and fantastic tools for managing manufacturing, they provide the fast, high-quality, fully integrated system we wanted."

Great Leap Forward in Operations

Sage PFW has resulted in enormous operational improvements, according to



Gong Jian, plant manager. "The system automates our receipts, deliveries; and other inventory movements, as well as the physical count process," he explains. "For our main raw materials such as base oil, we face very stringent lot tracking requirements. Sage PFW lets us document a lot's properties, specification, QC; and available quantities. "We can manage raw materials, intermediates; and products in multiple units," he continues, "or measure, store; and track materials by warehouse, bin; and lot number. The system is so thorough that 99 percent of all chemicals, containers; and parts are tracked in Sage PFW by item code. We could not do any of this before."

CHALLENGE

Manual financial and manufacturing tracking systems prevented accurate inventory, slowed process time; and made for difficult reporting.

SOLUTION

The Sage PFW ERP system for financials and automated batch process manufacturing.

RESULTS

Total operating efficiencies increased by 20 percent; period closing cycle reduced by 25 percent; workload decreased by 10 percent.

"The Sage PFW suite of products gives us such accurate and concise information on quality, material usage and cost that we couldn't be without it for even half a day."

—Gong Jian
Plant Manager
Shanghai Petrofer

ABOUT SAGE SOFTWARE

Sage Software has been responding to the needs, challenges, and dreams of small and mid-sized businesses for over 25 years. With a complete range of business management solutions and services, Sage Software helps companies improve customer relationships, reduce costs, and automate and integrate a variety of operational activities. Its solutions support the specialty needs of a broad scope of industry segments, including manufacturing, distribution, construction, real estate, nonprofit, and professional services.



Equally impressive gains have been made in the sales department. "Sage PFW manages the entire sales process, from quotation to invoice, giving us centralized control," Jian notes. "We can analyze sales and profits by product, customer, period; or other criteria, all with a single keystroke, and even drill down for details on each salesperson's expenses."

QC for Hundreds of Formulae

In the R&D and production departments, Sage PFW manages hundreds of formulae with ease. "We now can do quick inquiries to find out where specific materials are being used," Jian says. "We use the system to manage the QC specs and properties of intermediates and products such as their flash points, pH; and viscosity. The system performs online analyses of yield, usage; and loss, as well as calculating cost per batch. Sage PFW gives us so much information on quality, material usage; and cost that we couldn't be without them for even half a day."

Gao reports faster period closing cycles and flexible reporting in the finance department. "With Sage PFW, the cost calculation process is greatly streamlined," she says. "We now have accurate data on product costs and margins, and thus more reliable profit analysis reports. We can analyze accounts receivable and accounts payable aging in real-time, and get timely cash flow reports from the procurement and logistics department."

Many standard American business functions are called by different names in China, so it took a while for Gao to figure out the capabilities of Sage PFW. Once she became proficient, she helped train many others in the company.

"I hesitate to quantify improvements from Sage PFW because we did not have reliable benchmarks before implementation," Gao says. "Still, it would be fair to say that we are now producing 20 percent more with the same number of people, thanks to the new system. Our inventory is very accurate, so we are saving money in processing materials. Our period closing cycle has been reduced by about 25 percent. And overall our workload has decreased by about 10 percent. Clearly, Sage PFW has moved us in the right direction."