"Implementing SYSPRO has been like upgrading from an old Volkswagen Beetle to a Rolls Royce."

Akash Singh - Southern African Shipyards , Financial Manager

SA Shipyards Sails Ahead with SYSPRO

At a Glance

KEY CHALLENGE

Migrate from standalone systems and manual processes to fully integrated, automated solution

KEY BENEFIT

Significant cost savings, increased productivity and improved control

ORGANIZATION

Southern African Shipyards

INDUSTRY

Manufacturing – Steel and Allied Industries

END USER MARKET

Southern African maritime Organizations

SOUTHERN AFRICAN SHIPYARDS

Customer Profile

Southern African Shipyards is Africa's leading commercial and naval shipbuilding and ship repair company, providing cost-effective services and solutions to the marine industry worldwide. Situated close to Africa's busiest port in Durban, South Africa, SA Shipyards provides complete in-house marine solutions through its ship building, ship repair, naval maintenance, mechanical and fabrication and Oil & Gas departments. The yard is ISO 9001-2008 certified.

SA Shipyards is a proudly African company which is 100% black-owned and 60% black women-owned. The yard can manufacture and repair a large range of marine structures, including tugs, container vessels, bulk carriers, tankers, patrol vessels, ferries, luxury yachts, dredgers, trawlers, oil rigs and barges.

The Mission

SA Shipyards used standalone accounting, planning and reporting software packages which were unable to communicate with each other. Data had to be merged in Excel and other reporting software. The widespread use of manual processes led to challenges in productivity, efficiency and cost savings.

The Solution

SA Shipyards urgently needed a fully integrated, automated solution to enhance the efficiency of its complex, high-volume ship building and repair operation. SYSPRO was selected on the strength of its functionality and user-friendliness as well as the expertise and implementation experience offered by SYSPRO dealer RN Software Support c.c.

The Outcome

Following extensive and thorough planning, testing and customization, SA Shipyards went live on the full suite of SYSPRO 7.1 as well as e.net Solutions on 4 December 2018. The company has shifted from a 100% manual operation to a fully-integrated ERP solution where manual intervention accounts for only about 5% of the processes. The result is significant cost savings, far tighter controls and substantial improvements in both productivity and efficiency.

SYSPRO™

CASE STUDY

Why SYSPRO?

SA Shipyards applied to South Africa's Council for Scientific and Industrial Research (CSIR), the country's premier scientific research and development organization, for funding. Once the funding had been awarded, SA Shipyards explored several Enterprise Resource Planning (ERP) solutions.

Akash Singh, Financial Manager of SA Shipyards, says: "After a number of vendors had pitched their solutions, it was clear that SYSPRO was best suited to our operation. It allows the integration of all aspects of our business, from planning to time and attendance and customer management. Another critical deciding factor was RN Software's understanding of our business and experience in delivering manufacturing implementations."

Laying the Groundwork

The joint SA Shipyards and RN Software implementation team spent about a year planning and implementing the SYSPRO solution in the test environment before the company went live in December 2018. The comprehensive, highly detailed level of planning and testing resulted in a smooth go live experience.

RN Software customized the solution to fully integrate all aspects of SA Shipyards' business and meet its unique requirements. The company now has live posting functionality as well as detailed costing, time and budget data to enhance decision-making for its executives.

"The implementation was a huge, challenging and extremely fast project. We worked closely with RN Software according to a detailed project plan which was flexible enough to accommodate changes on the go," Akash says.

Managing Complexity with Ease

At the time of implementation, SA Shipyards was building nine tugboats. Although this is a relatively small project for the company, the completion of each tugboat entailed 20,000 operations.

On a larger scale, SA Shipyards is currently building a Hydrographic Survey Capability for the South African Navy which involves 3,600 activities. Each activity has about 3,000 operations.

Previously, job codes would be created in one system and imported into project software and then into accounting software. SA Shipyards would then export the data, monitor the costing from the accounting package, and export it back into the project software.

"Now, we get the project and upload it into our fully-integrated ERP solution which creates the coding structure and distributes the data as required to the various aspects of the business," Akash says, "Manual intervention is probably 5% of the process – and it used to be 100%."

Cost controls have tightened considerably. With SYSPRO, SA Shipyards' project managers can only make purchases against the time and materials that have been allocated to a specific project. A super user password is required to override any requests beyond the agreed project allocations. This feature alone has improved cost controls from 40% to at least 90%, and SA Shipyards anticipates savings of R23 million a year in this area.

In addition to providing executives with anytime access to reports containing live data, the new system has implemented cut-off times for accounting periods, ensuring the integrity of SA Shipyards' financial information and enabling proper management accounting.

Akash points out that as a project-based organization, SA Shipyards has benefited extensively from SYSPRO's reporting which enables costs to be monitored so that anomalies can be identified upfront and addressed.
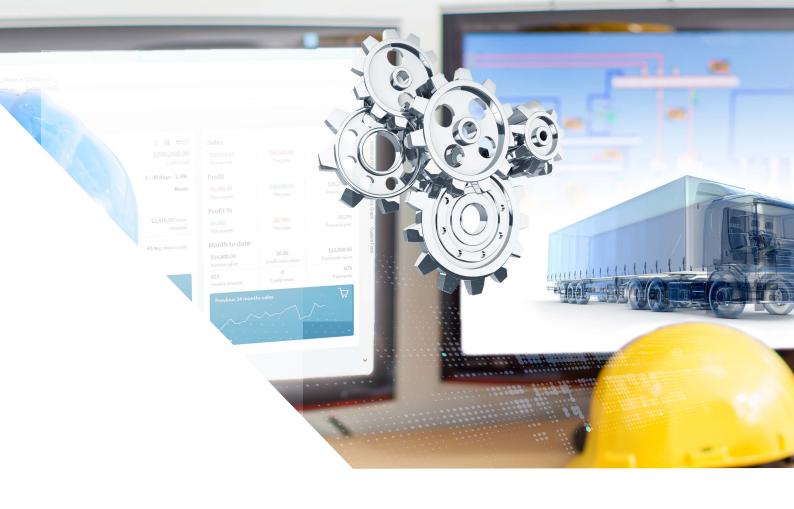
Continuous Improvement for Success into the Future

SA Shipyards is also saving costs by implementing access control for the entire yard. SYSPRO will use the data to show rates as well as productive and unproductive time worked for each employee, so that SA Shipyards can ensure that labor broker invoices are completely accurate. It also enables insight into the nature of non-productive time, helping the company to resolve issues and further manage costs.

"We can see exactly how to cost a project, how many people and which skills are required and the cost components in more detail than ever before," Akash says. "We can cost future projects more accurately, become more competitive, create more jobs and use our people more effectively." The next step will be the creation of a high-level dashboard for executives, showing strategic information such as project percentages, total hours budgeted for a project, materials utilized and costs.

Exceptional Staff Buy-In

SA Shipyards has enjoyed staff buy-in to the new system beyond all expectations. Akash attributes this to RN Software's approach of nominating champions for minor systems within the SYSPRO solution. The champions gave input to the customization of the system and shared their knowledge with the developers. Staff were also included in workshops held during the planning stages. The result is a workforce which is enthusiastic about the new system at their fingertips. "Staff morale has definitely improved. The system is user friendly and allows people to customize their screens according to their needs. Although we are still new to SYSPRO, we are getting so much out of it already. I am confident that as we learn more, we will reap even more benefits," Akash says.

About SYSPRO

Established in 1978, SYSPRO is an industry-built Enterprise Resource Planning (ERP) solution designed to simplify business complexity for manufacturers and distributors worldwide. SYSPRO provides an end-to-end business solution for optimized cost control, streamlined business processes, improved productivity, and real-time data analysis for comprehensive reporting and decision-making. SYSPRO is highly scalable and can be deployed either in the cloud, on-premise, or accessed via any mobile device.

Combined with a practical approach to technology and a passionate commitment to simplifying business processes, SYSPRO dedicates itself to the success of its partners and customers alike.

SYSPRO's intuitive product features, business intelligence capabilities, and easy deployment methodology are unmatched in the marketplace. The depth of software functionality and targeted industry knowledge makes SYSPRO an excellent fit for a number of select manufacturing and distribution industries, including food and beverage, machinery and equipment, electronics, fabricated metals, automotive, and many more.

Learn more about SYSPRO's solutions for the Metal Fabrication industry.
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