

Aik Hua F & B Group Pte Ltd



Solomon Case Study — Manufacturing



A local success story that started out as a simple partnership has evolved into a nearly S\$90 million food and beverage restaurant business. A remarkable success considering it was achieved within a span of 9 years.

Aik Hua F & B Group Pte Ltd has three core businesses: operation and management of 53 F & B outlets, including food courts, coffee shops and restaurants; manufacturing and distribution of local delights such as tim sum and desserts; import, process and distribution of frozen meat products to its food chain and third parties island wide.

In spite of the economic downturn, it has also enjoyed tremendous growth in the last three years. In 1998, the Group's turnover was S\$12 mil. Since moving its operations to the present premise in July 1999, the Group enjoyed a three-fold increase in turnover to S\$50 million.

"In 2000, the Group experienced an exponential growth in turnover, bringing in a total of S\$73 million in revenue. There are plans in the pipeline to expand its operations and open at least 6 more food outlets in 2001," said Mr Pang Lim Deputy Chairman and CEO, Aik Hua F & B Group Pte Ltd.

"As our business grew, the volume of our workload increased and it became more time-consuming to perform these tasks manually. We were looking for a reliable solution that would enable us to automate accounting tasks," said Mr Tan Chuang Tong, Executive Director, Aik Hua F & B Group Pte Ltd.

Flexible Solution To Meet Business Needs

The Group started out using Solomon 2.0 to computerise its accounting processes in 1997. Due to rapid business expansion, it became imperative for Aik Hua to upgrade to a more powerful and flexible accounting system to meet the company's accounting needs.

"We decided to upgrade to a more powerful solution and our decision to continue using Solomon software was also for strategic reasons," said IT Manager, Mr Ray Ouyang.

"For one, our back-end operations run under Microsoft BackOffice technologies. Solomon applications which are Microsoft-based enable us to take advantage of existing operating system and reduce total cost of ownership. This move has made software cost planning and management easier too."

"It is a timely decision for the Group as our workload has increased five-fold in the last year," said Mr Tan. "As a fast growing organisation, we need a cost-effective solution with expansion capabilities to accommodate future growth. Solomon with its flexibility and scalability provides this expandability option."

Efficient Processes, Improved Productivity

Aik Hua with its diverse food operations requires an integrated system to monitor its financial and inventory movement. By integrating Accounts Receivable, Accounts Payable, and Cash Manager with General Ledger, Aik Hua is now able to achieve higher levels of efficiency and cost control.

Solomon IV® Account Receivable module enables the main office to monitor revenue and oversee operations of its food outlets. The module provides detailed information and reports necessary to effectively manage the Group's accounts.

Mr Tan said, "With the implementation of Accounts Receivable modules, we are able to handle all financial transactions and generate statements on a consistent basis to ensure



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Solution Overview

Company Profile

Established in 1992, Aik Hua F & B Group Pte Ltd has grown into a holdings company with nine subsidiaries and two associated companies today. The Group now employs 700 staff managed by a team of 30 management personnel and 50 supervisors. Aik Hua F & B Group owns a chain of food courts, coffee shops, restaurants and has its own central kitchen and cold room facilities in Tuas, Singapore.

Situation

Aik Hua F & B Group started out using Solomon 2.0 for basic accounting functions. As its business expanded, the Group required a reliable and scalable accounting system to meet its increasing accounting needs and future development.

Business Solution

The Group's plan to upgrade to Solomon IV® Financial Series comprising General Ledger, Accounts Payable, Account Receivable and Cash Manager modules was completed in December 1999. These financial and accounting modules were customized according to the Group's requirements. By integrating all the accounting functions, financial and analysis reports can be easily consolidated and generated. As a result, the streamlining of financial processes ensures critical business decisions to be made in a shorter time. The next phase of implementation will be the integration of Point of Sales (POS) system connecting all the Group's outlets to the current financial and accounting infrastructure.

Benefits

The key advantage of Solomon IV® accounting system is its flexibility to adapt quickly to meet changing business needs. As a fast growing company, Solomon provides Aik Hua F & B Group the expandability options to keep pace with its future growth. And because Solomon accounting applications are built on Microsoft-based architecture, they are easily integrated into the existing operating system and thus reduce turnaround time and total cost of ownership. Since its implementation, the Group now reaps cost-saving

up-to-date information. For instance, AR allows us to keep tabs of receivables and take necessary action to improve cash flow and bottom line.”

The Solomon IV® Accounts Payable module helps in keeping accurate information by tracking payments and predicting cash requirements. It is also capable of automating routine activities.

The AP module which comes with a cheque writing function enables the Group to process about 1500 cheques a month accurately and speedily. As such, it improves productivity and reduces cycle time.

The Cash Manager module integrates financial transactions into one streamlined activity, giving instant access to the company’s current cash and automating bank reconciliation process.

“Cash Manager provides a quick and easy way to reconcile our corporate bank statements. This allows bank reconciliation to be performed anytime and has reduced the time we used to take from five days to just a matter of minutes,” said Mr Tan. “Another advantage of Cash Manager is that it helps us to project future cash flows and make allowances for any additional expenditures.”

Comprehensive Financial Reporting

FRx reporting churns out information-based reports such as financial reports that can be customized according to outlets, zone and types of stalls. The breakdown of specific information allows quick and accurate analysis on performance, whether month-on-month or quarter-on-quarter.



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“The customised reports are valuable when the management wants to have a quick overview or want to measure company’s performance over a period of time,” remarked Mr Tan. “With FRx, we can now generate reports faster and view financial reporting information onscreen with just one click of a button. The accuracy and timeliness of information and accounting data allows me to make critical financial decisions.”

Smooth And Seamless Transition

The implementation of Solomon IV® was completed under a tight timeline by Progression Technology Pte Ltd. In addition, users of the applications were trained by Progression and equipped with simple step-by-step manuals to help them navigate the accounting applications.

“The team at Progression is very professional. They have provided reliable technical advice and support for the last three years. With their technical expertise and quick turnaround time, we roll out the upgraded accounting system just in time,” commented Mr Ouyang.

Mr Tan added, “The ease of Solomon accounting applications has added value to our staff. This is because our staff is familiar with the Windows-based user interface applications. Moreover, Progression provides on-demand training for new employees and this reduces the time taken for them to adapt.”

Currently using the financial and distribution applications, there are plans to implement a network of Point of Sales (POS) system at all the outlets. The POS system will be centrally managed and integrated with Solomon financial and accounting system.

Enhanced Overall Performance

“The feature-rich Solomon financial modules have brought about a remarkable improvement to our turnaround time. Now we are able to close accounts within 15 days,” said Mr Tan. “Overall service delivery has been enhanced and business and financial processes streamlined, saving time and helping us to lower costs and achieve organisational goals.”

Tan Chuang Tong
Executive Director
Aik Hua F & B Group Pte Ltd

benefits and enjoys faster turnaround time that results in improved efficiency of overall operations.

For More Information

About Solomon Software

For more information on Solomon business management and e-business applications, call (65) 224 6795 or visit www.solomon.com.sg

About Aik Hua F & B Group Pte Ltd

No. 6, Tuas Bay Walk
Singapore 637752
Tel : (65) 897 8832
Fax : (65) 897 9975

Solomon IV® Software Used

General Ledger
Accounts Payable
Account Receivable
Cash Manager



For more information on Solomon IV®, contact:

www.solomon.com.sg

Solomon Software SEA
10 Anson Road #19-12
International Plaza
Singapore 079903
Tel : (65) 224 6795
Fax : (65) 224 6796

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