

Philip Morris Singapore Pte Ltd



Solomon Case Study — Manufacturing

The decisive move to Solomon IV® has proven to be the right choice for tobacco leader Philip Morris Singapore Pte Ltd. Solomon software has not only met all expectations, it has also enabled the company to focus on business expansion without worrying about the ability of its system to keep pace with growing needs.

Philip Morris Singapore Pte Ltd is part of world-renowned Philip Morris International, which produces and markets high quality cigarette in over 180 markets worldwide, commanding a 14% share of the non-US market. As nearly four out of every five of its cigarette brands currently sold are produced locally or regionally, Philip Morris International is, therefore, also a significant employer around the world.



Singapore-based Philip Morris Singapore Pte Ltd is the regional headquarters for Southeast Asia. Together with its Brunei office, it is responsible for managing and growing the business in the region.

To do that effectively, its system support must be able to keep pace with change and not hinder growth.

Coping With A Growing Database

In the early stages of operations, Philip Morris Singapore Pte Ltd relied on a chain of resellers to market its products. However, in its desire to be closer to its customers, it subsequently adopted a direct sales approach, marketing directly to customers. This move resulted in a suddenly enlarged database as the company's small reseller database was replaced by a huge customer database. The sheer volume of data

Solution Overview

Company Profile

The Philip Morris name has a high visibility and is very well regarded throughout the world. It distributes top-quality cigarettes to over 180 markets worldwide and is also a significant economic contributor and employer. Singapore-based Philip Morris Singapore Pte Ltd is the regional headquarters for Southeast Asia. Together with its Brunei office, it has a strong presence in the region.

Situation

Due to rapid expansion, Philip Morris Singapore Pte Ltd found that its original accounting system could not meet its new requirements and the growing size of its database. It was not suitable for the company to adopt Philip Morris International's industry-specific accounting software that was based on a client/server computing environment even though this software served the worldwide operations' extensive information needs well. The reason was that the size of the Southeast Asian market and the volume of sales activities did not warrant moving to a global system. Cost and the short time available to implement a new system were the other reasons.

Business Solution

Philip Morris Singapore Pte Ltd decided that a Windows-based mid-range ERP system would best meet its needs. It evaluated several well-known accounting packages and chose Solomon IV® ERP software in 1997 because the package satisfied all the requirements. It is not only fast and easy to implement, it is also flexible and scalable, and most of all affordable. In under three months, nine modules for nine users in Singapore and seven modules for three users in Brunei were implemented.

Benefits

Solomon IV® is distinctively different because it minimizes user training, system maintenance and application development costs. Moreover, the software is capable of being customized for virtually any purpose. Philip Morris has found

Reference Nbr	Tran Type	Curren	Module	Description	Tran Dr Amt	Tran Cr Amt
493022	GL	USD	GL	Advertisement for December	4585.00	0.00
5557	GL	USD	GL	Advertising in Paper	800.00	0.00

In just two and a half months, Philip Morris Singapore Pte Ltd's new Solomon IV® accounting package was fully operational. A total of nine modules for Singapore and seven modules for Brunei were implemented.

that needed updating, coupled with a cumbersome system in use at that time, resulted in problems with data entry and inventory management.

“Prior to Solomon IV[®], we were using a tailor-made application. It was adequate for a while,” said Ms Miu Yin Chan, Manager of Information Systems, Philip Morris Singapore Pte Ltd. “However over time, we began to feel the limits of the application. We found that it could not be configured to meet some of our new requirements and could not cope with a heavy volume of transactions.”

An alternative system was needed quickly. Among the various options considered by the company was “SAP”, based on a client/server-computing environment, that was being used in Philip Morris International’s worldwide operations. Although the system was able to meet the worldwide operations’ extensive information needs, it was however not suitable for Philip Morris Singapore Pte Ltd’s needs. This was because the size of the Southeast Asian market and the volume of transactions did not require the adoption of a global system.

Search For An Effective Mid-Market Solution

“After analyzing our special situation, we found that a mid-sized ERP system would best meet our needs,” said Ms Miu. “We evaluated several well-known ERP packages and eventually selected Solomon IV[®] because it satisfied our criteria fully.”

According to Ms Miu, the following factors were considered in the evaluation process:

Speed of implementation: As the company’s situation called for an urgent solution, the software had to be quick to implement in both Singapore and Brunei.

Ease of implementation: The data had to be easily integrated with the new Sales Management System (SMS).

Flexibility: The solution had to be flexible so that it could be customized to integrate with the industry-specific application used in Philip Morris’ worldwide operations.

Scalability: The software had to be scalable so that new features and capacity could be added to meet growing needs.

Affordability: With cost control an important consideration in a competitive environment, the software had to be cost-effective.

Solomon IV[®] was able to offer Philip Morris Pte Ltd the following advantages:

- SWsoft Consulting, a value-added reseller of Solomon based in Singapore, was able to commit itself to deliver the package and make it operational in a short time.
- The system is based on Microsoft technology platforms (Microsoft SQL Server and Windows NT), making it easy to implement. The Distribution Series also allows for full integration of data with the SMS.
- It can be easily customized to meet current and future needs.
- The cost was comparable to other software solutions.

Smooth Implementation

The move to Solomon IV[®] was made in November 1997. And by January 1998, just two and a half months later, the new accounting package was fully operational. Within this short time, a total of nine modules for Singapore and seven modules for Brunei were implemented. They included: System Manager, Distribution Series (Inventory, Order Management, Purchasing), General Ledger, Accounts Receivable, Accounts Payable, and an interface with the global system implemented in February.

Said Ms Miu: “We have benefited much from choosing Solomon IV[®]. The immediate reward for us was a fast and trouble-free implementation. As the software is easy to use, less time was needed to train users. The system is also easy to maintain and because it is scalable, it will enable us to avoid the high cost of a complete system overhaul.

“The flexibility of Solomon IV[®] is also a great advantage,” added Ms Miu. “Things are always changing in the tobacco business and our software must be adaptable to changing needs. For example, in 1999, when a new sales recording device was introduced for our salesmen, it changed our sales and accounting procedures. Fortunately, we were able to customize the software to the new requirements without any hitches.”

With Solomon IV[®], Philip Morris Singapore Pte Ltd is able to forge ahead boldly. The software’s scalability means that it can always be expanded to handle the growing volume of sales and manage a constantly expanding database. It can also be customized to meet new requirements.

Miu Yin Chan
Manager of Information Systems
Philip Morris Singapore Pte Ltd

Solomon IV[®] less complex and virtually trouble-free to operate, besides being able to meet all their needs within a short period of time.

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

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Solomon IV[®] Software Used

System Manager
Distribution Series
(Inventory, Order Management,
Purchasing)
General Ledger
Accounts Receivable
Accounts Payable



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