



CASE STUDY

Achieving homogeneous IT landscape with **VIENNA Advantage ERP**

A success story of implementing VIENNA Advantage Enterprise ERP suite at a multi-organization fuel retailer in Oceania.

This case study was depersonalized due to the NDA signed.



The Customer

The customer is a fuel retailer company in Oceania with a network of 100+ unmanned, manned and marina-branded sites organized in 3 separate legal entities.

The unmanned sites offer quick and easy, pay-at-pump refueling to customers, available 24 hours a day, 7 days a week.

Manned sites are operated through the customer's partner or by independent operators, most of who have been in the fuel business for a long time and are well-known amongst the local communities in which they operate.

The marinas operate 24 hours a day, 7 days a week.

The customer also offers a bulk fuel deliveries as well as bunkering in major ports. They carry a full range of lube oils and have access to an extensive worldwide network catering to large commercial vessels and super yachts.

The Problems

Highly fragmented IT landscape

Before implementing VIENNA Advantage ERP, the enterprise resource planning at The Customer was split across two packages.

- 1) Epicor – used as a primary tool
- 2) MYOB - used to manage the accounting activities for the other corporate entities in the group

Additionally, one of the business entities in the group used a software application named Omega – Terminal Automation System (TAS), to manage the orders placed by the clients. The data from TAS was entered manually into Epicor.

Each retail site (petrol bunks) used a point-of-sale software application called Glassbox to record sales information. This information was also entered manually into Epicor.

Unsupported ERP and security issues

Epicor was first installed at The Customer in 2003, with version 7.2 SP4. Support for Epicor had long-since ceased and it was maintained internally by the Customer's IT team.

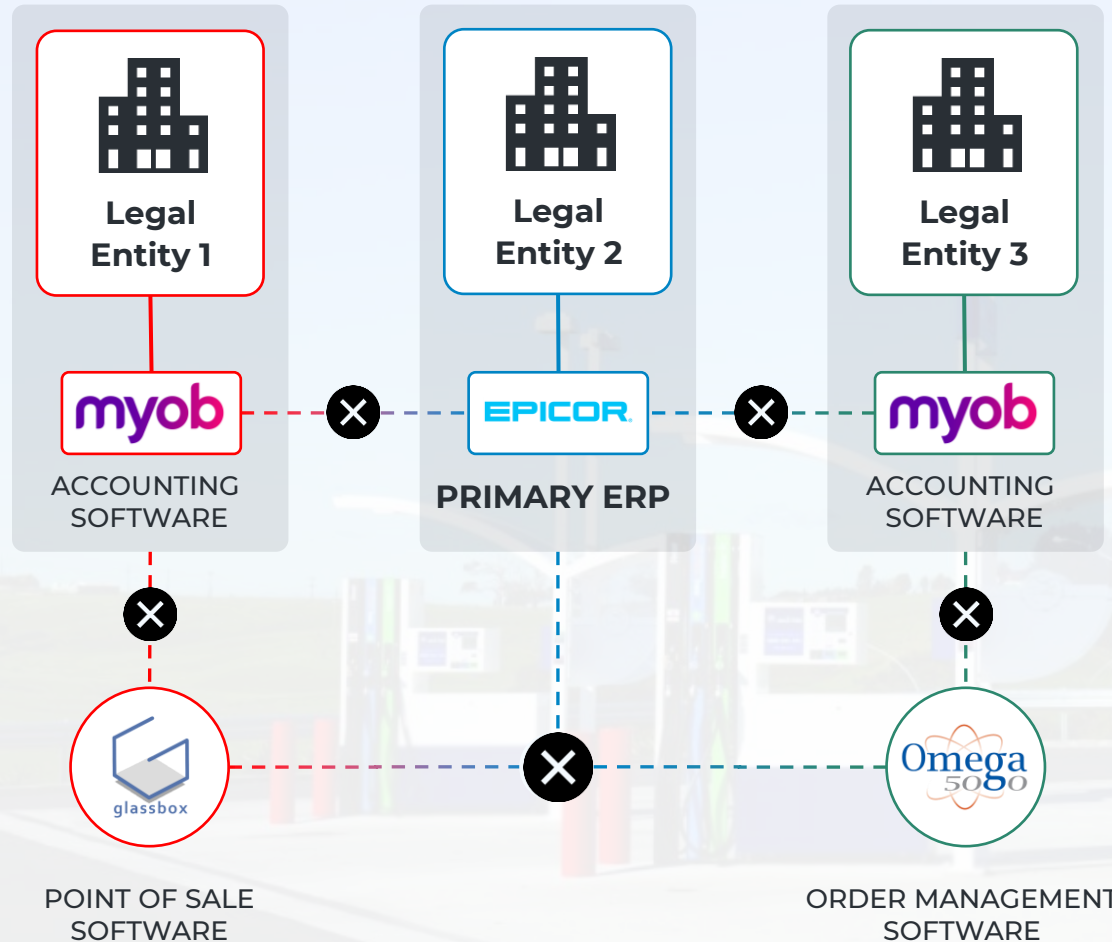
This had necessitated extensive DR measures to minimize the risks an unsupported ERP posed.

In its current form, it could not be updated or patched to meet the current cyber protection or business needs, nor was it capable of being adapted to meet the growing needs of The Customer. The last upgrade was completed in September 2010 to the currently used version Version 7.3.5 SP1.

MYOB is provided as a cloud-based service for two of the legal entities in the group, and as such is maintained to the current version.

Disconnected Transactional Data

(Data was manually entered from system to another)



The Requirements

The Customer wanted an ERP system that improves the reliability, accuracy and efficiency of the core business activities. They were looking for an ERP that is fully supported and all end-of-life items are addressed. The financial control vulnerabilities relating to Epicor should be mitigated.

The Customer contracted VIENNA Advantage to implement **ERP across 3 organizations** (legal entities). The implementation of functional features are common for all organizations. However, financial transactions and reporting would be organization specific and based on a common Chart of Accounts across all organizations.

Sales and Distribution requirements

The Customer required an ERP solution capable of recording cash receipts, invoice and pricing information in the system. The solution should be able to manage the price book and update master pricing lists as well as set customer specific pricing with unique pricing conditions.

When it comes to client management, The Customer requested from the new ERP solution to be able to enter and maintain master client data, with client segments and categories.

The new ERP solution should enable users to record quotes made to prospective customers, raise sales orders approved by the correct person, as well as, track a customer's current orders against their approved credit limit.

Card payments / pricing should be managed in the ERP system for each individual customer.

And last but not least, the ERP solution should be able to support The Customer's fleet management activities.

Inventory Management requirements

The new ERP solution should enable the users to measure and track stock levels in a variety of UOMs, differentiate between base material and blended sale products, as well as, update the value of stock on hand based on changes in the price of that stock.

Cost of goods supplied through The Customer's terminal, as well as purchased at other locations nationally, should also be tracked in the ERP.

The system should enable users to reconcile inventory from terminal stock level changes through gantry delivery and then ultimately sales to clients where The Customer owns the inventory.

Users should also be able to reconcile / actual component amounts used in a product blend in the delivery into a truck.

The ERP system should enable tracking of sales and inventory movements from retail and terminal sites. Alerts at site level should be automatically generated if minimum levels are reached.

Procurement requirements

When it comes to procurement management, The Customer had the following requirements from the new ERP system:

- Ability to raise purchase orders in the system with goods and invoice receipts completed with appropriate DOA workflow
- Ability to review payments against invoice / purchase orders and then approve and process them electronically
- Ability to set and maintain master vendor data with vendor categories

HR Management requirements

The new ERP solution should enable The Customer to manage payroll information across employees and generate pay and pay records. The solution should also provide a role based access to payroll information.

Finance & Fixed Assets requirements

When it comes to finance management, the new ERP solution should enable users to manage and upload journals, perform bank reconciliations, as well as, produce standard financial reports (P&L, BS, GL, TB) at different levels from company wide down to individual sites.

Users should be able to enter and track operating budgets and forecast on a monthly frequency. Additionally, the system should enable location specific taxes and charges to be applied to customers.

When it comes to fix assets management, the new ERP should have an option to maintain a register of fixed assets which calculates and posts depreciation monthly.

It should also contain a powerful Asset Master that contains asset details such as description, cost/profit center, depreciation key/rate, useful life of the asset, capital project number from the asset that was capitalized, etc.

Lease Accounting requirements

The new ERP should enable users to manage property leases and agreements, and ensure IFRS-16 compliance. Calculations required include: ROU asset, lease liability, interest expenses, depreciation expense, sale and leaseback transactions, sublease transactions.

Project Management requirements

The key requirement related to project management is the ability to enter approved budget for individual capital projects, and then monitor actual spend vs budgeted spend. Additionally, the solution should enable automatic generation of information on projects (capital expenses) and assets.

Reporting requirements

The new ERP should be able to generate producing critical business reports as well as enable users to extract data for certain reporting requirements to different agencies.

Document Management requirements

Users should be able to store / attach relevant documentation in the new ERP system.

Integration requirements

The new ERP solution should enable integration with the existing systems in use (Glassbox POS and Omega TAS), as well as bank integration, which will enable The Customer to:

- Change banking for payments and receipts in the future
- Import payments into the banking system for integration with ERP
- Separate transactions made through the app from other direct debit transactions

The ERP should furthermore enable currency exchange rate integration which will give the users the ability to handle multiple currencies and convert between them for different reports.

Miscellaneous requirements

- Role based user profiles with different access levels and system read / write separation
- 99.95% availability of the ERP system
- In case of a system outage or disaster, the maximum outage time must not exceed 4 hours
- All regulatory, legal or compliance considerations, such as data protection or industry regulations, should be met by the ERP vendor
- System support documentation as well as vendor support to be provided

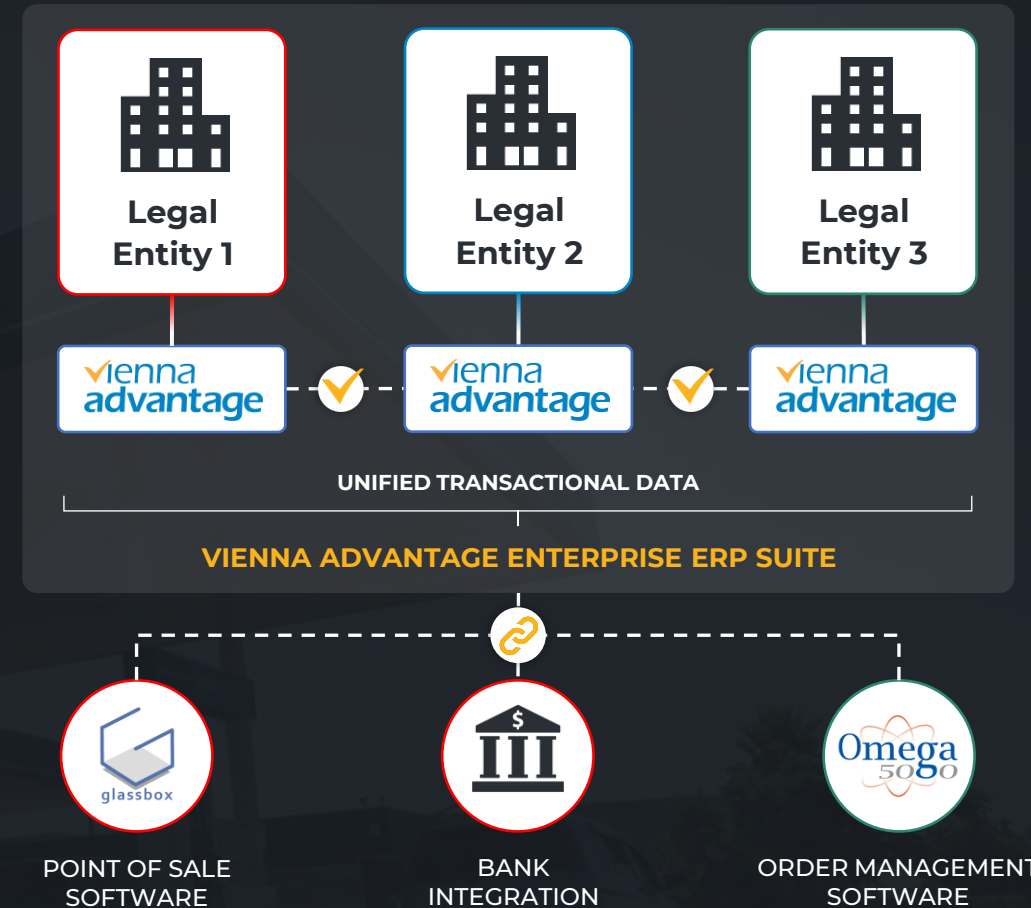
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The Solution

The entire implementation was done remotely right from the requirements gathering and business analysis through installation, software integration, training and testing, until data migration, go-live activities and post go-live support.

The Customer now uses a **single comprehensive enterprise level software solution** offered on VIENNA Advantage Application Development Framework that is hosted in Azure cloud subscription, integrated with Glassbox, Omega TAS software solutions and has enabled a bank integration.

The solution included set up and configuration of each organization (legal entity) along with specific structural and regulatory rules, role-based access to users within and across organizations.



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Sales and Distribution

VIENNA Advantage Sales and Distribution module enables users to create multiple versions of a pricelist, maintain currency and purpose specific pricelist records, as well as, create price lists based on discount schemas.

Users can assign pricelist to one or more business partners or create organization specific business partner groups and assign customers to these groups to inherit default Dunning, Credit Watch, Pricelist, Payment Method values of that group.

The system enables effective credit management and credit watch as well as automation of workflows and generation of payment reminders to customers based on due AR Invoices.

The complete lead management process, from recording potential sales contacts to converting it into opportunity and finally converting an opportunity to sales, is now automated.

Procurement and Inventory Management

VIENNA Advantage Procurement module enables users to create and maintain vendor master records in the system, with different purchase pricelist, payment terms and payment methods.

The system now handles automated procurement process from request for quotation (RFQ), purchase requisition, fuel purchases from vendors, project / capital purchases, as well as general and services related purchases.

Periodic invoices of logistic partners for deliveries are recorded in the system. Service Contracts and Invoice Schedules are also created and maintained in VIENNA Advantage ERP.

The Inventory module enables users to create and maintain warehouse and locators' information, handle multiple units of measure, create and maintain product category and product master.

The module also supports the entire production process for fuel blending and ethanol denaturing which includes conversion from base product to multiple finished product blends.

Stock reconciliation, adjustment process and stock transfer process, are also handled in the system.

Project Management

Project Management module is used by two legal entities in the group to create and maintain records related to CAPEX projects executed by both organizations. Users can create project template records, capital investment type records, project type records and CAPEX project records.

Finance Management and Fixed Assets

Finance and Fixed Assets Management module enables users to set up an account schema specific to each organization of the group. Users can also set up currency rates, chart of accounts, create and maintain profit and cost centers, costing methods, recording of accounts receivable and payable invoices, payment schedules and allocations.

The module also give users the ability to create, maintain, depreciate, transfer and write off assets.

Lease Accounting

The Lease Management module is used by users to handle following processes as per IFRS-16:

- Basic present value calculation
- New lease with expiry
- Repayments with CPI Increase
- Transition-register a lease that has a start date in the prior year as a new lease
- Transition-register a lease that has a start date in the prior year as an on-going lease
- De-recognize part of an existing ROU asset and create a lease receivable for a sub-lease
- Sale and leaseback agreement
- Transition-register a lease that has a start date in the prior year as a new lease, with retrospective ROU asset value

Integration with Omega TAS

Omega Terminal Automation System (TAS) is used at The Customer's terminals to monitor fuel dispensed from the gantries and fuel inventory. After the integration with VIENNA Advantage ERP, all inventory changes at The Customer terminal are now recorded and sent to VIENNA Advantage ERP.

There are two types of outbound transactions at the gantry:

- Stock transfer from The Customer terminal to retail sites
- Shipment (sales) to commercial customers and supply sites

VIENNA Advantage ERP automatically creates shipment and stock transfer transactions, based on the information received from Omega TAS.

Bank Integration

Bank integration was done to process the online payments with The Customer's bank. These online payments include direct debit, direct credit, response from banks, or bank statements.

Integration with Glassbox POS

Glassbox now records sales transactions at The Customer's retail sites and supply sites (commission), send details of sales transactions consolidated based on customers, payment method, and price, to VIENNA Advantage ERP system.

The ERP system then processes these transactions, generates the corresponding transactions to record material movements and accounting consequences of these transactions. Sales data from Glassbox is send to VIENNA Advantage ERP on daily bases.

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