NORALTA TECHNOLOGIES
TRANSFORMING INVENTORY AND FINANCIALS TO FUEL GROWTH

QUICK FACTS

Industry
Oil and gas

Revenue
US$14 million

Employees
80

Headquarters
Lloydminster, Alberta, Canada

Web Site
www.noralta.com

SAP® Solutions and Services
SAP® Business One application

Implementation Partner
ProjectLine Solutions Inc.

Noralta Technologies Inc. provides automation, instrumentation, and electrical services to the energy industry. To continue its rapid growth, the firm had to remove obstacles posed by its inventory and financials processes, which in turn called for better business software. The SAP® Business One application provided a sound basis for the process reengineering that the firm was seeking. With its highly scalable new processes, Noralta is continuing its growth with confidence.

Key Challenges
- Facilitate growth, especially the addition of new locations
- Unify inventory records and make them more manageable
- Speed the reporting of information to decision makers
- Shorten financial close periods
- Simplify accounting
- Involve managers more directly in using their solution

Implementation Best Practices
- Employed standardized, proven implementation methodology
- Communicated constantly throughout the project
- Conducted a 1-week training course to ensure adoption and smooth transition

Financial and Strategic Benefits
- Simplified the addition of new corporate locations
- Provided a single-screen view of all locations' inventory
- Streamlined accounting processes
- Sped up management reporting
- Increased management involvement in using business software directly
- Eliminated reliance on software usage specialists and their paper reports

Why SAP Was Selected
- User friendliness and learning ease
- SAP's reputation for software excellence
- Success achieved by similar industry firms with the SAP® Business One application
- Compatibility with customers' software
- Functionality for inventory management and financials

Low Total Cost of Ownership
- Completed implementation on schedule and within budget
- Used industry-standard hardware for the installation
- Experienced high reliability, with no need for rush-charge support

Operational Benefits

Key Performance Indicator	Impact
Number of distinct inventory item names	–38%
Inventory carrying costs	–20%
Time to perform period-end close function	–96%
Number of general ledger accounts	–95%
Time in arrears in overall financial records	–67%

SAP Business Transformation Study
Oil and Gas

www.sap.com/contactsap

Over 13 years Noralta Technologies Inc. has grown from a small instrumentation company to a multilocation supplier of technologies for the oil field. With each expansion step, Noralta's business processes became more complex, especially in inventory management and financials. The firm maintained separate inventory records at each of its locations, which often used different terminology for identical items. Managing overall company inventory was arduous, and carrying costs were excessive. Accounting processes were equally laborious, with over 12,000 general ledger accounts to maintain and accuracy a growing concern.

When Noralta began planning its fifth location, in Calgary, Alberta, it recognized the need for a major transformation and that its legacy business software could never support this. With its long learning curve, the system was unusable by business managers, who instead relied on reports prepared by specialists – reports that were out of date by the time they arrived. "Sometimes we'd find out we were doing the wrong thing six months after we started doing it," says Leana Ross, Noralta's controller.

SAP® Business One Combines Functionality with User Friendliness

Noralta researched the software used by its customers and their suppliers, some of which were growing at Noralta's pace. "Over and over we encountered the SAP Business One applica-tion," reports Ross. "After looking into its functionality, we knew it would help us re-architect and simplify our processes. And with its user friendliness, we knew our managers could use it."

For implementation Noralta engaged ProjectLine Solutions Inc., a firm with substantial experience with SAP® Business One. Using its well-established practices, ProjectLine went live on schedule and within budget in three months.

Faster, More Complete Information Enables Better Decisions

With its entire inventory finally on one screen, Noralta scoured its records, resolved conflicting item names, and shaved many steps out of inventory management – saving time and making records more current and trustworthy. "Full visibility corporate-wide lets us make better inventory management decisions," says Ross. "As a result, we're saving 20% of the carrying costs of our inventory, which run about US$2 million at any one time."

Noralta renovated its financials practices to reduce general ledger accounts from 12,000 to 600, simplifying accounting and improving confidence in financial records. The firm sped up month-end and year-end closing, which now culminate with a 10-minute final closing function that used to take four hours. Overall ledger records had been nine months out of date, but now the firm has closed the gap to three months and is on track to reach its goal of one month. Fine-grained information such as cost of sales on a per-truck basis is now available for the first time.

Managers who relied on out-of-date paper reports now use strong reporting tools to view the data they need in seconds on their own SAP Business One screens. New users find the software inviting and straightforward to learn, swelling the base of licensed users to 24.

Growth Continues Without Concern for Business Processes

With its revised processes, Noralta smoothly absorbed the Calgary location and is continuing its rapid growth. "We have two new locations in the plan, but this time there's no concern about our processes for incorporating them," Ross concludes. "We're also doing bigger jobs than ever, and to help manage them, we're considering the next step in our partnership with SAP – job-costing software."

Implementation Partner
ProjectLine Solutions Inc. is a gold-level SAP channel partner that delivers world-class software solutions together with a broad portfolio of consulting and support services.

projectline solutions inc.

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