

Cloud ERP strengthens the foundation of SCG Indonesia's infrastructure

An integrated, unified ERP system is enabling SCG, the first cement and building material firm in Southeast Asia, to build on its successful operations in Indonesia.



Few businesses can trace their origins to an act of royal decree, but such is the historical importance of SCG (formerly Siam Cement Group), whose formation in 1913 was ordered by King Rama VI of Thailand to produce the primary building material for infrastructure projects: cement. SCG went on to contribute significantly to Thailand's development and progress.

The company's longevity since then has been equally remarkable. More than a century on and SCG is now a leading ASEAN business conglomerate, having expanded into various businesses. Today it operates across three core business units – SCG Cement-building materials, SCG Chemicals and SCG Packaging – and its products are exported to all regions of the world.

SCG's position as the largest and first cement and building material company in Southeast Asia can be partly attributed to its commitment to innovation and sustainability across its products, services and processes. In Indonesia, where it has operated since 1995, it is a leader in manufacturing and distributing pipes, with its subsidiary SCG Pipe and Precast Indonesia (SPPI) having played an important role in Indonesia's development as a country.

Legacy systems

An enterprise resource planning (ERP) system is pivotal to the smooth running of any large organisation today. However, SPPI was still running on a legacy ERP system, which SCG came to realise was no longer meeting the needs of both its manufacturing and sales teams in Indonesia. As a standalone on-premise system, it meant the legacy technology used by different business units was separated, and data was not up-to-date, which led to a lack of clarity when it came to accounting for the production cost of sold items or invoicing.

“From an IT point of view, it was like having an office and factory in different locations,” adds Chantid Thimapakorn, Business Solution Architect Manager at SCG. “The servers were installed in two separate locations. Syncing data between the two servers required reuploading and converting of data, which sometimes caused data loss along the way.”

The lack of integration was misaligned with SCG’s vision to be a regional leader in innovation and sustainability, so it was clear that an alternative ERP system was required. During an in-depth evaluation process, the company reviewed several leading ERP suppliers based on four key criteria: features, functionality, cost and timeline of implementation. Through this process NetSuite, supported by implementation partner Jcurve, emerged as a clear winner.



“Our core need from this new ERP system was manufacturing functionality – it absolutely needed to be able to manage our manufacturing process,” Thimapakorn says. “Other ERP providers would have required us to implement a full-scale manufacturing module. NetSuite is more modular. We can pick and choose only the modules we require for our business. NetSuite was comparable in functionality and much more flexible in terms of customisation.”

Rapid implementation

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As a NetSuite partner with one of the largest teams of NetSuite consultants across Asia-Pacific, Jcurve supported SCG with an ambitious implementation. The incumbent legacy system was due to terminate its support of SCG within two to three months, presenting a very tight timeline for completing a NetSuite deployment that involved multiple modules and the migration and conversion of previous data from three separate businesses.

“Jcurve was able to support us through this tight time frame, which amazed us because it would normally take much longer,” says Susalak Khiew-orn, CFO of SCG Indonesia. “As someone who looks at the big picture, the entire implementation was smooth. Jcurve was very helpful during the evaluation process, providing useful information about NetSuite to aid our decision, which helped build trust. But during the implementation they really impressed me, working very quickly to understand our needs, support our users and close any gaps.”

Thimapakorn adds, “I had never implemented ERP in such a challenging timeline before, so to achieve what we did in under three months was very surprising and admirable. Meanwhile, any issues we experience post-implementation we first try to solve through a meeting on MS Teams, but if the problem escalates, Jcurve will send immediate help. We appreciate it.”

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Smooth operations

Since using NetSuite, all data across the different functions in SCG Indonesia are fully integrated, which has given the company greater control and visibility over its processes. As a centralised system, every business unit uses the same platform, making it easier to track all of the data. Since NetSuite is on the cloud, it functions 24/7, and the IT team doesn’t have to check if the server is online. SCG is also benefiting from greater functionality and security.

“With a unified system at the heart of our operations, we have seen our business process flow more systematically. From preparing orders and delivery to calculating production costs and recording our profits and tax, everything runs very smoothly,” says Khiew-orn. “With NetSuite, we also set our General Ledger the same way as our parent company, which makes it simpler for us in terms of budgeting and consolidation.

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