



Furukawa Electric Co. Ltd

Optimized processes enable data insights



Furukawa Electric used Fujitsu SAP® to streamline and standardize operations in 12 divisions operating globally. Using SAP S/4HANA, the project enabled significant business efficiencies and improved process insights, building a solid foundation for further expansion.

Challenge

Multiple business divisions operated accounting, purchasing, and sales processes using individual systems and datasets. Collecting information from each division was laborious and time-consuming.

Solution

Using SAP S/4HANA in accounting, purchasing, and sales, standardized data can be utilized by 12 divisions in a single instance, while real-time integration centralizes management and governance.

Outcomes

- Created a vertically integrated platform
- Enabled easier profit management and standardized operations
- Reduced flow times enable a data-driven business



“SAP® S/4HANA enables the centralization of data management for efficient and quick utilization.”

Takashi Fukuda, Corporate Vice President, ICT Strategy Planning Department General Manager at Furukawa Electric

Industry:
Electrical engineering

Location:
Japan

Website:
furukawa.co.jp/en/

About the customer

Furukawa Electric has, over its 130-year history, developed operations in sectors including telecommunications and energy infrastructure, electronic components, automotive components, and metal materials. It is part of the Furukawa Group, which together with over 100 group companies based in Japan and overseas, operates in a diverse range of industries. The company is listed on the Tokyo Stock Exchange and the Nikkei 225 index.



600m

yen saved each year
in man-hours



12

divisions optimized

The challenges of diversification

Furukawa Electric operates in 12 main business areas, including telecommunications cables, power wire rods, electronics and electrical components, and polymer products. Its core business systems, such as accounting, purchasing, and sales, had been individually developed and optimized over many years, creating siloed processes. This resulted in numerous inefficiencies in the process of linking and processing data in order to access critical business insights.

Optimizing processes and visibility

Furukawa Electric partnered with Fujitsu SAP® to develop a project with several main objectives. It wanted to integrate core business operations into a framework centered on SAP S/4HANA and Ariba and establish a system that would provide the flexibility for future growth over 10 years and beyond, enabling users to access and utilize key business information and knowledge.

“The promotion of digital transformation is the significant activity for the creation of new value with stakeholders. The value is determined by effective data utilization generated through the effective digitalized processes,” explains Takashi Fukuda, Corporate Vice President, ICT Strategy Planning Department General Manager at Furukawa Electric.

Furukawa Electric set out to establish a series of consolidated accounting policies and business standards as a basis for introducing International Financial Reporting Standards (IFRS) throughout the group globally. The project also aimed to increase process visibility and optimize the purchasing function, while reducing business load and compliance risks.

Streamlined processes reduce the business load

By consolidating various hosts and open systems into the SAP S/4HANA architecture, Furukawa Electric eliminated the need to maintain legacy systems, reduced the need for COBOL experts, and increased the efficiency of its IT function and staff.

Across the wider business, standardized and streamlined operations led to reduced man hours, while the establishment of group accounting policies and operational standards enabled Furukawa Electric to build a foundation for the adoption of IFRS. This enables strategy advisers to provide global accounting information from a multidimensional perspective.

The consolidation and optimization of purchasing operations reduced the business load, and business processes visualization led to reduced compliance risks. Critically, improved information analysis capability was achieved through the development of common data infrastructure.

“SAP S/4HANA enables the centralization of data management for efficient and quick utilization and also provides us with global standardized processes for the business environment. Our DX activity and SAP S/4HANA will advance together,” concludes Fukuda.