



Furukawa Electric Group

Accelerating digital with SAP S/4HANA

Furukawa Electric Group divisions each used their own systems, leading to a lack of efficiency and coordination. Fujitsu helped implement the OneFIT project and adopt SAP S/4HANA to standardize and optimize operations.

Challenge

The group was unable to adapt quickly and flexibly to business needs. IT systems and ways of working across the organization had become siloed and complex.

Solution

Fujitsu supported the group's OneFIT project in adopting SAP S/4HANA. They integrated business processes across 12 divisions, standardizing sales, purchasing, and accounting operations.

Outcomes

- Strengthens operational efficiency and legal compliance
- Standardizes processes and enables cross-functional collaboration
- Centralizes data and promotes sharing

"Fujitsu gave us a proposal after understanding the characteristics of our company, a non-ferrous industry, and the issues we were facing."

Masahiko Uchizawa, General Manager, DX Promotion Department, Digital Innovation Center, Strategy Division, Furukawa Electric Group



12 business divisions integrated

Accelerating digital across the business: breaking the siloes

Before the project, each department within Furukawa Electric Group had its own ways of working and IT systems to enable them, giving each department autonomy over its business operations and procedures. As a result, IT systems and ways of working had become siloed and complicated across the organization. "IT couldn't adequately support Furukawa Electric Group's management," recalls Masahiko Uchizawa, General Manager, DX Promotion Department, Digital Innovation Center, Strategy Division, Furukawa Electric Group. "We found it difficult to respond to changes in the business environment; organizational changes, divestitures, and mergers and acquisitions."

Mr. Uchizawa explained the group's various business and systems challenges, including "uncertainty due to the prominence of complex and labor-oriented operations" and "the inability to respond flexibly and promptly due to a lack of systems and rules". IT systems were not fit for purpose, both in terms of dealing with currency and because most reporting was done manually, including management information, accounting, purchasing and sales. Moreover, accounting, purchasing and sales systems were not integrated, and the lack of coordination between systems meant information on transactions could not be managed centrally.

The lack of unification and standardization made code difficult to compile and compare. The departure of experienced business and IT employees left gaps in tacit knowledge, making the maintenance of aging systems difficult.

Operations could be halted unless measures were taken quickly.

Like many companies, Furukawa Electric Group wanted to upgrade its core systems but was struggling to take the first step. Mr. Uchizawa expressed his concerns: "We realized that not overhauling our aging core systems would generate risk."

Integrating business processes in 12 business divisions

Fujitsu supported the OneFIT project to address these issues. The project started in 2018 with the objective of integrating business processes across 12 divisions, each with different product characteristics.

SAP S/4HANA (RISE with SAP) was chosen for the new digital core of the organization. "Fujitsu gave us a proposal after understanding the characteristics of our company, a non-ferrous industry, and the issues we were facing," says Mr. Uchizawa. "Importantly, Fujitsu leveraged its experience to ensure the project would introduce a system that would provide a good fit with our company's policy."

Phase three of the project (OneFIT-Ph3) introduces two unique solutions. SAP Mill Products allows Furukawa Electric Group to sell individual lengths. SAP Ariba allows the group to take advantage of indirect purchasing.

The group sells copper molded products by weight and electric power cables, phi bars and other products by length. Even if there are two 500-meter cables and one cable divided into 1,000 one-meter lengths, the group does not sell these as 2,000 meters of cable. But SAP S/4HANA can't manage these individual lengths, so that's where SAP Mill Products comes in.

The group adopted SAP Ariba as a gatekeeper function for collaborating with SAP S/4HANA. It can enhance supplier communication by integrating direct and indirect materials.

Industry:
Manufacturing

Location:
Japan

Website:
furukawa.co.jp/en/

About the customer

Established in 1884, Furukawa Electric Group has, over its history, developed operations in sectors including telecommunications and energy infrastructure, electronic components, automotive components, and metal materials. It operates in a diverse range of industries. The company is listed on the Tokyo Stock Exchange and the Nikkei 225 index.



32

joint sessions to
raise awareness

The impact of the new core system already felt

While OneFIT-Ph3 is still being introduced into some domains, Furukawa Electric Group is already seeing benefits. The group has strengthened legal compliance, enabled cross-functional collaboration, and centralized data via SAP S/4HANA. The ability to aggregate data has significantly impacted people's awareness of the benefits of visualization and efficient data collection.

Sales have increased business process efficiency by standardizing code systems and sales processes in various fields with diverse formats. Sales can now also respond to requests in foreign currencies.

OneFIT-Ph3 has more to offer, driving greater efficiency and strength across the business. Furukawa Electric Group hopes to maximize the value it delivers to society and business partners.

In accounting, the group aims to leverage OneFIT-Ph3 to standardize accounting operations, unify accounting information, and fully implement its group accounting policies to strengthen its management base. In purchasing, where SAP Ariba and SAP S/4HANA have been integrated, the group hopes to promote further integration of purchasing operations. It also promotes centralizing procurement information management to optimize operations and strengthen governance.

The key to success: everyone was involved

What is the secret behind the success of standardizing operations and running a new core system? "Our success in adopting our new core system lies in the commitment of everyone involved, including those in each department," says Mr. Uchizawa.

While OneFIT-Ph3 delivers standardization across the group, it can be difficult for everyone to become one team. Furukawa Electric and Fujitsu introduced two approaches to stimulate unity: raising awareness across business divisions and encouraging end-user participation.

A total of 32 joint sessions helped to raise awareness. In addition, sales working groups for each business division highlighted the business reorganization and business reform, while an activity system called Product Code WG defined the SAP S/4HANA master.

More than 1,000 people across the group used the old sales system, making it difficult for OneFIT-Ph3 project members to support these users. So, each project member selected an 'SAP Partner' from within the SAP team to join the project. Introducing end-users into the project lowered the barrier to the successful introduction of the new core system.

Fujitsu's expertise in execution and business improvement, played a key role in the introduction of the system. Mr. Uchizawa reflects: "Business members learned about SAP S/4HANA in advance. And having Fujitsu grasp our company's accounting activities meant we were able to examine the tasks and the system relatively quickly, driving success." Mr. Uchizawa says that he wants Fujitsu to help him in the future.

Customer:



Fujitsu

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January 2023