



Asahi Kasei Spandex America

www.dorlastan.com



At A Glance:

- **Company:**
Subsidiary of Asahi Kasei Fibers Corporation, a manufacturer of poly-elastane filament fibers mainly for textiles
- **Location:** Charleston, S.C. (corporate headquarters in Tokyo, Japan)
- **Industry:** Manufacturing; Textiles
- **Challenges:**
 - SAP's lack of flexibility forced the company to adjust businesses processes to the software rather than the other way around
 - Generating key financial reports could take up to 30 days
 - SAP's complexity required expensive, specially trained consultants
 - Running SAP required a \$20,000-per-month wide area network
- **Software switched from:**
SAP R/3
- **Results with NetSuite OneWorld:**
 - NetSuite's SuiteFlex platform allows on-the-fly customization to Asahi Kasei's processes as business needs change
 - Financial reports can be generated instantly
 - NetSuite's ease of use increases productivity—employees can focus on their jobs, not wrestling a complex system



The Results:

NetSuite wins the "Big 3" award at Asahi Kasei's Dorlastan operations in Charleston, South Carolina. It saves the company large amounts of money, it's easy to use, and perhaps most importantly for the rapidly growing division of a multibillion-dollar global company, NetSuite provides a return on investment (ROI) that's readily seen and explained.

Asahi Kasei is still implementing the full palette of NetSuite's integrated software suite, but already the company, which develops and produces brand fibers of outstanding quality for nearly all fields of applications of textile production, estimates that it will save about \$1 million in costs over its previous SAP R/3 software, including licenses and the need for three additional employees. In addition, the wide-area network (WAN) required by SAP was costing \$20,000 a month, ten times more than the company is paying with NetSuite.

Since the company was acquired by Asahi Kasei Fibers Corp., a publicly traded company headquartered in Tokyo, Chief Financial Officer David Stover says NetSuite provides him the financial visibility to work with multiple reporting options.

NetSuite's ease of use means managers and staff can concentrate on their real jobs rather than wasting time wrestling with a complex system that demands conformity to its way of doing things, Stover says. It's been such an improvement over SAP that other Asahi Kasei units are now considering switching to NetSuite from their current vendors.

The flexibility of NetSuite through its SuiteFlex platform allows the Dorlastan operation to customize NetSuite to its unique operations. Stover says that flexibility is decidedly different from the rigid SAP approach. "SAP is a dictated business strategy where NetSuite is an open strategy," he says.

With SAP, it would take a consultant up to a month to make a simple change, he says. With NetSuite, Dorlastan employees can configure reports "on the fly" instantly.

SuiteFlex also helps the company react immediately to customer concerns, such as when it converted weights to the metric system, only to find U.S. customers in a lather. Very quickly, NetSuite allowed Dorlastan to issue domestic invoices in pounds and international invoices in kilograms.

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NETSUITE IMPACT

- **Saved \$1 million in costs by switching to NetSuite from SAP**
- **Reduced costs from 3% of revenue to 0.15% of revenue**
- **Eliminated wide area network that cost \$20,000 per month—10 times the cost of NetSuite**
- **Eliminates need for three additional staff members and expensive consultants**



“We were spending 3% of our revenue on SAP. By switching to NetSuite, we reduced that cost to 0.1% of revenue.”

*— David Stover
Chief Financial Officer
Asahi Kasei Corp.'s Dorlastan
fiber division*

Dorlastan has a global market, with a concentration in the Western Hemisphere. NetSuite includes modules that will allow the company to use currency conversions and cope with different tax issues from country to country.

"From a business perspective, it is NetSuite's flexibility and customer emphasis," Stover says.

The Challenges:

Although they are now a unit of a \$10 billion Japanese company, Asahi Kasei's fast-growing Dorlastan operations runs lean, and software expenditures are closely watched. "We're not a 'thick' company," says Stover. "We have very low overhead." Still, managers of Asahi Kasei needed back-office software that could pull together disparate company functions such as financials, human resources, inventory and more while connecting them more closely with customers and suppliers worldwide.

"SAP didn't have CRM or a very flexible standard for conducting marketing or customer analysis," says Stover.

"It was a very complicated infrastructure and expensive because you had to have very specifically trained individuals to deal with the system," he says. "Any analysis came to me. I became not only the CFO, but the 'system guy' as well."

Stover says it could take 30 days plus a consultant just to generate key financial reports using SAP. Quick customization was out of the question.

Worse, SAP was so complex it was virtually impossible to explain it to the company's new top management from Japan.

"Trying to explain SAP, I might as well not be talking. It's very operational based. It's not an intuitive process," Stover says. Plus it was just too rigid. "We're slaves to fashion here. When fashion changes, we've got to change quickly. And SAP wasn't conducive to those changes."

The Solution:

NetSuite's simplicity of use and its Internet-based software suite that can be expanded and customized through its SuiteFlex platform helped convince Stover to drop SAP and switch to NetSuite. The SuiteFlex platform, combined with NetSuite's SuiteScript, Suitelets and SuiteTalk tools, enable Asahi Kasei Spandex America to quickly address key requirements unique to the textile industry.

Another major benefit of NetSuite is cost. Stover says his company is already saving large chunks of money that had been pouring into SAP. When added up, Stover says they are saving about \$1 million a year by switching to NetSuite. "We were spending 3% of our revenue on SAP. By switching to NetSuite, we reduced that cost to 0.1% of revenue.

"It's not only the system itself but also the infrastructure that was required with SAP," he adds. "All that stuff goes away with NetSuite. All I really have and need is the Internet provider."

NetSuite's remote access is also a big plus for his operation, Stover says. Because NetSuite is Web-based, it can be securely accessed from anywhere there's an Internet connection.

"I sign on pretty much every night from home. I don't have to take my laptop home, I don't have to have a special phone connection, or anything else," Stover says. "That's a really high benefit for us."

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