



# Achieving Operational Integrity in Manufacturing with PRONTO-Xi

**50 per cent increase in overall productivity, 60 per cent improvement in customer order cycle times, and at least 50 percent reduction in inventory levels. Astino Berhad shares how achieving ‘operational integrity’ has allowed it to realise this feat in just 7 months.**



Successful manufacturers rank ‘operational integrity’ highly because having a well-oiled, reliable and capable production system is a compelling factors to achieve competitive edge to sustain market lead in the cut-throat manufacturing scene.

It is by achieving production integrity, with the use of the right technology, Astino Berhad (Astino) – one of the country’s leading producers of building supporting products, has managed to stay ahead of the game.

As soon as Astino was listed on the Kuala Lumpur Stocks Exchange (KLSE) in 1997, the business grew exponentially, with the company’s operational procedures and processes growing in quantity and complexity.

Before long, the manufacturer’s existing ICT systems started to buckle under the strain of increasing demands by the business. The problem was compounded by the fact that the existing legacy system was becoming obsolete and could no longer scale to handle the increasing workload efficiently.

Also, with non-integrated systems scattered around the organization, every department worked independently – capturing and processing their data separately.

This led to tremendous redundancies in terms of data processing, resulting in a big confusion and difficulty for information retrieval by management. Due to data duplication, the business’s operational data was occupying up to trice the actual storage required, slowing data retrieval response time; clogging up the internal departmental communication between departments, and causing near-impossible external communication with Astino suppliers and affiliates.



Ng Back Teng, Managing Director of Astino explained that the tremendous increase of data that came with the company’s business expansion was piling up into a huge bottleneck in the system.

Ng said, “Data retrieval soon became a major problem to higher-level management. It became difficult to produce good reports because we could neither do proper market analysis nor business forecast without being able to tell between good and bad data. Our ability to make good decisions was effectively hampered,”

It soon dawned upon Astino management that having a non-integrated system would be holding back the expansion of the company. This was when they decided to overhaul its entire legacy system with a reliable and easy-to-use Enterprise Resource Planning (ERP) system.

Resource Planning (ERP) system.

## Making An Informed Choice

After extensive and evaluation of the available ERP solutions in the market, Astino finally settled on Australian-based PRONTO-Xi to replace its entire existing system.

“PRONTO-Xi has many strong reference sites around Malaysia and the region. This brand displays a strong forte as a premier ERP brand within the manufacturing industry,” said Ng of the first criteria Astino looked for.



“The solution has custom-built modules such as distribution and logistics that we require; and gives us in-depth visibility into our inventory, materials, costing and production. The PRONTO-Xi’s user-friendliness is also understated,” he quipped.

Astino’s selection of the PRONTO-Xi was also influenced by SL Information System Sdn Bhd – being the distributor and implementer of the ERP brand in Malaysia.

Ng said, “SL demonstrated extensive experience together with a strong 15-year delivery track record. Besides successful project delivery, we look for long-term commitment to after sales support from the software vendor.”

### Achieving Operational Integrity

Today, with PRONTO-Xi, Astino is able to obtain an accurate, top-to-bottom overview of its business operation, with clear process visibility and traceability.

“We are achieving operational integrity by being able to drive efficiencies in the processes we have, maintain a good control on cost, and drive performance where targeted,” said Ng.

Internal and external communications at Astino have shown great improvement as the new system eliminates data duplication, to contribute to faster response rates and drive operation efficiency.

“PRONTO-Xi has been running live in Astino for over seven months and in this time customer order cycle times have increased by more than 60 percent. We also have better control over production processes thanks to the better insights of our customer orders. Inventory levels have also reduced by at least 50 per cent due to better understanding and co-ordination within the Inventory Department that has eased the daily tasks tremendously,” said Ng.

“Simply, we are better informed as to know where, when and why to contact our suppliers and affiliates to promote our products more effectively.”

Ng ended, “Investing in the right technology was indeed the right move as it allows Astino to create a strong foundation for our business growth.”

### Astino Briefs

- KLSE-listed Astino Berhad (‘ASTINO’) was incorporated in 2000, with six companies under its umbrella: Ooi Joo Kee and Brothers Sdn Bhd, Astino (Malaysia) Colour Steel Sheet Sdn Bhd, Natural Incentive Sdn Bhd, Astino Netting Sdn Bhd, Astino Southern Sdn Bhd and Astino Marketing Sdn Bhd.
- Astino supplies products such as metal roofing sheets, PVC doors, other roofing materials and light-weight brackets.
- Astino has three major manufacturing factories located in Seberang Perai, Rawang and Malacca
- The group reported a revenue of RM 244 million in year 2006
- Visit <http://www.astino.com.my> for more information.

