

We were attracted to the implementation approach using Industry Framework® to define standard operational structures by industry.

Mr. Eisuke Oki, Vice President
Chiyoda Corporation

Courtesy of Qatargas Operating Company Limited

Became the first major Japanese engineering company to fully implement SAP® ERP. In 18 months, constructed IT infrastructure that grasps Japanese and overseas projects.



Chiyoda Corporation

To adapt quickly to the changing external environment such as the increase in energy demand and intensifying global competition, the Chiyoda Corporation Group has started constructing a new global business management system. The company has been doing business at the head office and in Qatar since the spring of 2013, after a short 1.5-year implementation period.

Issues before Implementation

- Establishment and improvement of the PDCA cycle in management
- Visualization of the business activities of the entire group
- Utilization and optimization of group management resources
- Improvement and reconstruction of global common business templates
- Continuous reinforcement of project plans and execution capability

Reasons for Choosing ABeam

- Availability of templates standardized for each industry
- Rich experience and track record in business process innovation
- Ability and readiness as a coordinator among various departments

Effects of Implementation

- Visualization of business activities through business process standardization and code unification
- System integration and operational management unification by constructing global IT infrastructure
- Real-time identification of the progress of projects at the work process level as well as reinforcement of the PDCA cycle
- Assessment of profits and losses each month, and interaction between project management and financial accounting through ERP
- Improvement of competitiveness by constructing templates applicable to joint ventures (JV)

We highly evaluated their implementation approach utilizing Industry Framework®, and therefore chose ABeam Consulting as a business partner.

Chiyoda Corporation

Overview

Chiyoda Corporation strives to be an engineering company that earns the trust and empathy of all of their stakeholders, including shareholders, customers, business partners, employees, and local communities under the corporate philosophy, “Enhance our business in aiming for harmony between energy and the environment and contribute to the sustainable development of a society as an integrated engineering company through the use of our collective wisdom and painstakingly developed technology”

It is essential for the company to develop and build project-execution and management infrastructure, based on which its entire Group can demonstrate its competitiveness and execution capabilities, in order to become a winner in the competitive global market. Therefore, they must rapidly construct a global operation management system that can be shared worldwide and expand their global operations.

Challenge

Built and implemented the global business management system in a short period.

The project to build the global business management system is a large-scale project including the head office and overseas business sites.

The global business management system unifies operational procedures, management methods, terminology, and other items globally. It is crucial to develop an IT infrastructure so that all project data can be stored at the same degree of granularity. Junichi Masukawa, General Manager of the IT Management Unit, Global Project Management Division of Chiyoda Corporation, talks about the purpose of building the global business management system as follows:

“By utilizing accumulated data, it is possible to perform detailed cost management, manage schedules, quickly identify project risks, and strengthen the PDCA cycle, thus also improving management efficiency and global governance. Our primary purpose is to realize operation data management that raises our competitiveness and execution capability by constructing IT infrastructure, which is the source of the initiative in joint ventures.”

A business partner who understands the key points of system construction and global operations and who can properly grasp the business of Chiyoda Corporation is essential. Chiyoda Corporation has chosen ABeam Consulting as a partner company after various considerations. The business design and basic design phases started in August 2011. In these phases, they took a long time to discuss the businesses to be achieved by using global templates as well as system functions again and again with the consulting staff of ABeam.

Through the development phase and test and transition phase, the company started full-scale operation at the head office of Chiyoda Corporation and in Qatar, one of their sites in the Middle East, in April 2013. This project involved more than 300 people, including over 150 staff members of ABeam and other business partners and clients.

The global business management system project aimed to build global templates, and implement them at the head office and in Qatar. Such a large project normally takes at least two years for implementation in the head office alone, but this project was completed in just 18 months.

Solution

The integrated solution based on the idea of “Best of breed”.

Mr. Eisuke Oki, Deputy Division Director of the Global

Business Process Innovation Schedule

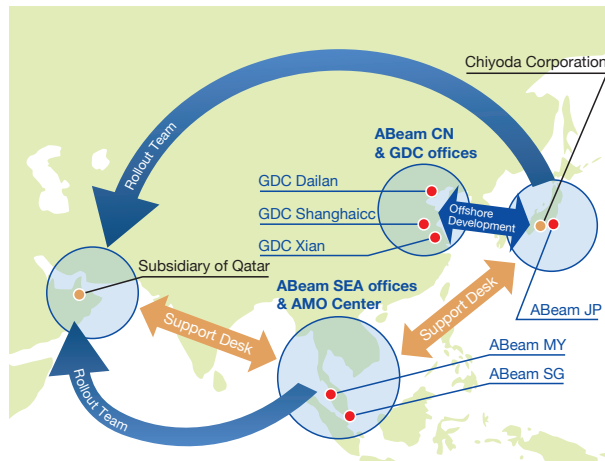
No.	Major task	2011		2012				2013		
		7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9
		Business / Basic Design Phase		Development Phase		Test & GoLive Phase		Post GoLive / Rollout		
1	Construction of the global template (GT)									
1.1	Business design and basic design	[Bar]								
1.2	Detailed design and development			[Bar]						
1.3	Test					[Bar]				
1.4	Enhancement of GT functions							[Bar]		
2	Implementation of global business management systems in the head office of Chiyoda Corporation									
2.1	Test					[Bar]				
2.2	Training					[Bar]				GoLive
2.3	Full-scale operation and support after starting operation							[Bar]		
3	Implementation of global business management systems in the Middle East sites of Chiyoda Corporation									
3.1	Adaptation					[Bar]				
3.2	Design and development of local functions					[Bar]				
3.3	Test					[Bar]				
3.4	Training					[Bar]				GoLive
3.5	Full-scale operation and support after starting operation							[Bar]		
4	Implementation of global business management systems in the Chiyoda group companies									
4.1	Adaptation							[Bar]		
4.2	Design and development of local functions									[Bar]

Project Management Division, explains the reason for choosing ABeam as follows: “Regarding our aim to build a global business management system, the implementation approach utilizing “Industry Framework”, which defines a standard business configuration for each industry, is extremely appealing and therefore highly evaluated.”

Industry Framework® is a standard model of business processes for specific industries that reflects ABeam’s know-how gained over the years, and its knowledge of various industries and business types including the financial, manufacturing, and distribution industries. This supports the establishment of best practices that satisfy the specific requirements of the industry, such as promoting desirable future standard business process design while enabling efficient present operation research, comparing with the current business process, and ensuring comprehensiveness. Industry Framework® for Engineering & Construction was used for this project.

In this project, Chiyoda Corporation broke down their existing business processes that had been in use for many years and reconstructed them in the optimal way. Mr. Oki says “Business partners were also required to have some degree of readiness and understanding. We judged that ABeam Consulting’s Industry Framework® and other tools would lead us to success and that they were able to utilize them for the project.”

SAP® ERP 6.0 has been adopted as a global business management system because of its high reliability as a core business system and reputation as the standard in the engineering industry. This is the first project to fully implement SAP® ERP 6.0 among major Japanese engineering companies. At the same time, data analysis and analysis report systems were implemented utilizing SAP® BusinessObjects (SAP BO). The integrated solution based on the idea of “Best of breed” was achieved including Oracle® Primavera, a project portfolio management solution, ARES® PRISM G2, a next-generation project cost management package, and COMPANY®, a personnel management and salary system.



Also, the Global Development Center, the offshore development base of ABeam, was used to develop add-ons of SAP® ERP 6.0. As a result, we developed high-quality add-ons quickly and at low cost. Furthermore, we deployed service desks in Japan and Malaysia after starting operation in order to respond to inquiries in English from the Middle East, and also ensured maintenance service with the double support with AMO.

Result

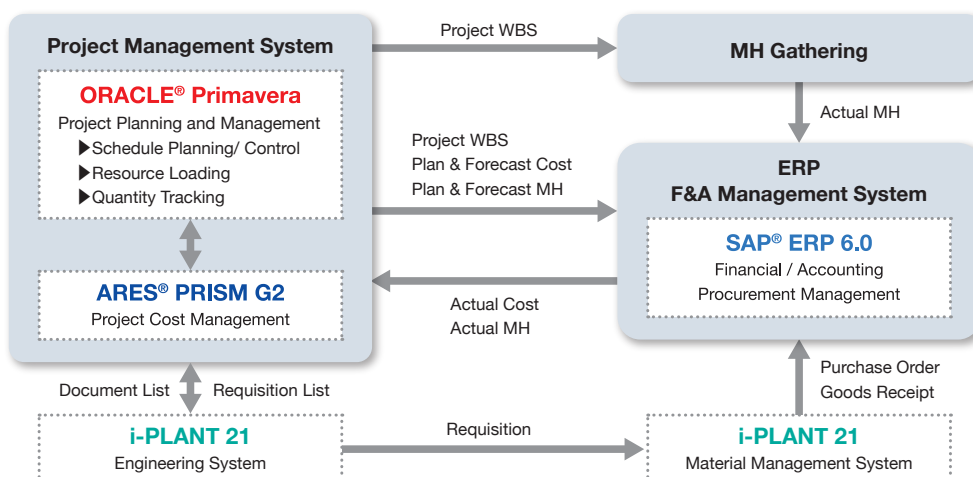
Expanded the global business management system to the Japanese and overseas business sites.

Mr. Masukawa explains the background of the successful rapid implementation as follows: “As a consultant, ABeam led the construction of the system and shared our goals. In particular, they took the leadership in solving problems exactly as expected. They also provided steady support both during installation in Qatar and after the start of operations.

We ensured each project member remained conscious of product quality, cost, and delivery deadlines at all times, maintained close communication with the client as well as among the team members, correctly prioritized the issues and risks that arose, reallocated resources flexibly, and resolved issues quickly. These were some of the key rules we adhered to strictly. As a result, we successfully started operations at the head office of Chiyoda Corporation and in Qatar according to the initial schedule.

Understanding the importance of using the global operation management system is now penetrating throughout the entire company of Chiyoda Corporation. They have established a common language across the company and started using

System configuration diagram



it for data management, enabling them to easily grasp problems and issues in projects.

Mr. Oki says “We must expand the global business management system to the Japanese and overseas business sites to achieve truly global operations. In the meantime, we are striving to enhance analysis techniques by rolling out data utilization methods in such business sites and expanding the analysis report by SAP BO.”

In the future, to expand the system to all the Japanese and overseas business sites, they must address the difficult task of having field workers understand the reason for the business and system design and promote global standardization while reinforcing their competitiveness.

Mr. Masukawa explains his expectations for ABeam as follows: “We hope they will play an ongoing leadership role in expanding the use of the new system to various other business sites and serve as competent coordinators between the local staff of each site and the head office. Going forward, we would welcome their suggestions for the future of our business and hope they will work with us in considering these suggestions.”

VOICE (Evaluation of ABeam)

“This time, we broke down our existing business process that had been used for many years and reconstructed it the optimal way, so we had to prepare for resistance to operational reforms. Business partners were also required to have some degree of readiness and understanding. We judged that ABeam Consulting was capable of promoting the project as a competent coordinator among various departments.”



Vice President
Deputy Division Director
Global Project Management
Division

Eisuke Oki

“ABeam Consulting helped build the system while recognizing our goals, exceeding the boundaries between user and consultant. They took the leadership especially in solving problems, which was extremely helpful for us both during installation in Qatar and after starting our operations.”



Executive Director
General Manager
IT Management Unit
Global Project Management
Division

Junichi Masukawa

Client Outline

Company name:	Chiyoda Corporation
Location:	Minatomirai Grand Central Tower 4-6-2, Minatomirai, Nishi-ku, Yokohama 220-8765, Japan
Established:	January 1948
Services:	Master Planning, Feasibility Studies (FS), Licensing, Process Development Support, FEED (Front End Engineering Design), Engineering, Procurement, Construction, Commissioning, Process Improvements, Utility System Improvements, Improvements in Equipment Reliability, Environmental Improvements, O&M Consulting Service
Capital:	43,396 million yen (as of March 31, 2014)
Sales:	446,147 million yen (as of March 31, 2014)
Number of employees:	5,626 (Consolidated), 1,630 (Non-consolidated) (as of March 31, 2014)

Project Outline

Outline:	Construction of a global business management system for grasping project and management conditions overseas
Number of staff:	about 300
Software:	SAP® ERP 6.0, SAP® BusinessObjects, Oracle® Primavera, ARES® PRISM G2, COMPANY®



Core members of ABeam



Process & Technology 3
Principal
Iwao Watanabe



Manufacturing
Principal
Masaki Tomida



Social Infrastructure
Services & Consumer
Business Unit
Principal
Hitoshi Utsugi



Process & Technology 2
Senior Manager
Kosuke Uchida



Process & Technology 1
Senior Manager
Yugo Shimomura

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ABeam Consulting Ltd.

Marunouchi Eiraku Building, 1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan
Tel. +81-3-6700-8800 (main switchboard); fax +81-3-6700-8801
www.abeam.com/jp