

Customer Requirements for Rapid ERP Introduction Met with PRIMEPOWER



System Integration Deputy
Executive Manager Kenichi
Okano

In 1997, the information systems department of Hitachi Zosen Co. Ltd was split from the Hitachi Zosen Corporation and established as an independent systems integration business. They wanted to make use of their manufacturing industry know-how in system construction including CAD/CAM, GPS/GIS, and ERP/SCM to enter the manufacturing industry IT field and build up a successful portfolio of achievements.

One service that Hitachi Zosen Systems (HZS) developed was a fast ERP implementation solution for enterprises facing order production problems. Fujitsu PRIMEPOWER servers were chosen as the hardware platform to support this work.

HZS's Kenichi Okano introduced PRIMEPOWER and the partnership with Fujitsu at the 5th Annual PRIMEPOWER Partner Symposium in Tokyo. His presentation included an introduction to the fast installation process and the use of an integrated business work calculation EBS (Enterprise Business Solution) template.

HZS Service Introduction

The re-engineering of Hitachi Zosen's core system was the basis of HZS's Enterprise Business Solution template.

HZS acquired a wealth of business as a division of Hitachi Zosen. For over 30 years it developed, made improvements to, and maintained the core business systems of the company. However, the integration of the systems became difficult and required excessive time and costs for maintenance. In addition, the business systems became too complicated and further hampered change and made business efficiency improvements difficult and costly. As a result, HZS was formed and an examination of the reconstruction of the company-wide base systems began.

"We looked at two methods of reconstruction, designating an ERP package as the nucleus or choosing to develop from scratch. We learned that full redevelopment would have taken three years. After reviewing the costs of ERP, we selected the method of additional development around a base," said Mr. Kenichi Okano.

The ERP package was selected by comparing the products offered by three organizations against the requirements of Hitachi Zosen Co. Ltd. The Oracle business suite with its DB/ERP/development tools was chosen, not only because it did not require client software management, but also because of the flexibility that Java provided.

Industry: Systems Integration

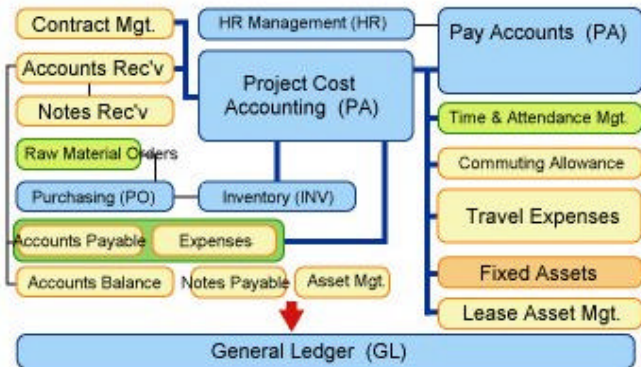
Solution: ERP system

Products: PRIMEPOWER 100, 200, 400, 600, 850

Application: Oracle E-Business Suite



Diagram of Hitachi Zosen's Basic Functional Inter-relationships



The Oracle E-business Suite forms the base of this functional diagram, with PRIMEPOWER as the server platform.

- Oracle EBS-based system functions
- Those requiring additional design using the business work calculation EBS template

"As for the relationship to the accounting table, Tsubasa's design tool 'Super Visual Formade' was adopted. All additional development was done to cooperate with the Oracle EBS. Special purchasing and materials management, and production and works management, were all developed within 29* months of the reconstruction project start," Kenichi Okano indicated.

The additional parts of the development are now offered to similar enterprises as an integrated business work calculation EBS template". Because it is based on the work done for Hitachi Zosen Co., Ltd., it corresponds to such things as Japanese commercial rules and consumer tax, making it an excellent template for introduction and use by Japanese enterprises.

"Its fit to business enables development time to be cut by more than half. This project took approximately 12 months from receipt of the template to being completely operational. The time savings in the development phase provided substantial reductions in cost and labor," Kenichi Okano pointed out.

Partial application at a module level is possible for use by enterprises introducing such management. There are examples in the fields of purchase order contract management and purchasing where production start has been as little as 10 months after project start.

* This was scheduled at 23 months but was adjusted by six months to fit target accounting period.

Reasons for PRIMEPOWER Adoption

"For development, testing, and production purposes we introduced both high and low end PRIMEPOWER, as requirements demanded. Usually the ability to make use of partitioning is only possible at the high-end, but PRIMEPOWER makes it possible in the mid-range as well. The PRIMEPOWER serves as both an application and database server, which has improved performance and reduced costs for Hitachi Zosen," Okano explained.

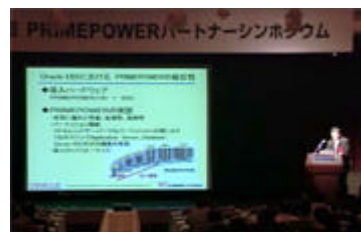
In addition, the PRIMEPOWER servers' efficiency, expandability, and reliability were also important for customer adoption.

Future Development

Joint ownership of new systems among divisions drastically reduces costs and improves efficiency.

At Hitachi Zosen Co. Ltd., the new base system is shared among the group companies and its diesel and engineering corporation divisions. This cooperation decreases the system operational costs for all three groups.

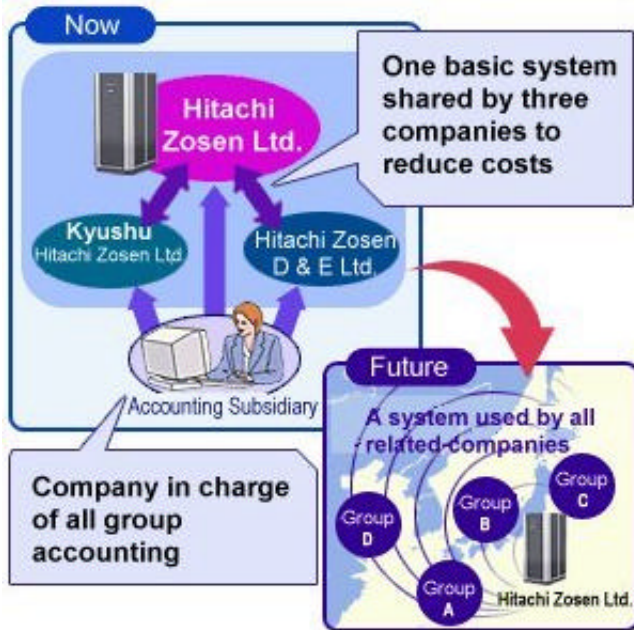
Okano: " Presently at Hitachi Zosen Co., Ltd. the group accounting business is entrusted to a special 'accounting' subsidiary company. This gives the divisions sharing the system substantial efficiency benefits.



For the future, we would like to expand our basic system that is presently utilized among our three corporations, to include many affiliated companies as well."

Hitachi Zosen Information Systems Limited

Customer Success



With the systems promising future comes the hope that the same kind of solution, now being used between groups in similar areas of operation, can be extended to achieve more global industry cooperation between different enterprises.

In addition Fujitsu's PRIMEPOWER server line continues to expand and develop to meet customer requirements around the world. Based on its success at Hitachi Zosen, Fujitsu hopes work with other innovative solutions developers in similar organizations to achieve greater industry cooperation in such processes.

The Hitachi Zosen Co., Ltd. Information Systems Corporation

Address: 10-37-7 Nishikamata, Ootaku, Tokyo

Employees: 287

Capital Valuation: ¥1.6915 billion (\$14 million)

Business: CAD/CAM, GPS/GIS, ERP/SCM sales and systems integration

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