



## **COLLICUTT COMPRESSION SOLUTIONS LTD.**

### ACHIEVING CLARITY AND SCALABILITY ACROSS MULTICOUNTRY OPERATIONS

#### QUICK FACTS

##### Company

- Name: Collicutt Compression Solutions Ltd.
- Headquarters: Red Deer, Alberta, Canada
- Industry: Industrial machinery and components
- Products and services: Natural gas compression and power generation equipment sales and service operating in multiple branches in the United States and Canada
- Employees: 67
- Web site: [www.collicutt.com](http://www.collicutt.com)
- Implementation partner: Zantek Information Technology Inc.

##### Challenges and Opportunities

- Achieve visibility across multibranch, multicountry operations
- Centralize accounting and financial controls
- Adopt a comprehensive enterprise solution that supports end-to-end process integration
- Establish a technical and business process foundation to enable long-term growth

##### Objective

Install an enterprise solution that gives management the clarity and control needed to run and grow diverse multicountry operations

##### SAP® Solutions and Services

SAP® Business One application

##### Implementation Highlights

- Phased approach to speed deployment and lower cost
- 5-month Canadian implementation, 2-month U.S. implementation
- 11% under budget
- Standardization of business processes between multicountry operations
- Full participation of locally available partner in all development and deployment phases
- Reduction of external training costs through development of in-house expertise during pilot phase

##### Why SAP

- Solution scalability
- Enterprise-wide and real-time operational visibility
- Multicurrency support
- Rapid deployment, rapid ROI
- Locally available global partner support network
- Proven software vendor
- Proven solution with large user base

##### Benefits

- Timely return on total project investment – will achieve in 20 months
- Improved information sharing through centralization of accounting and financial controls
- 50% reduction in monthly accounting and financial report preparation time
- Enforced workflow, process integrity, and configurable alerts through real-time transactional visibility
- Faster and more accurate decision making
- Ability to support long-term growth

“With SAP Business One, we have a solution that is scalable. With a reasonable total cost of ownership out of the gate, the software lets us start small and continues to fully support us as we grow.”

**Arne Lazzarotto**, Vice President of Finance,  
Collicutt Compression Solutions Ltd.

Collicutt Compression Solutions Ltd., a natural gas compression and power generation equipment sales and service company headquartered in Red Deer, Alberta, Canada, is driven by one key objective – growth. The company was recently established by its CEO, Steven Collicutt, through the acquisition of an existing power generation equipment company based in California and a natural gas compression equipment company in Canada. Both companies had their own legacy accounting and operations systems that relied on manual spreadsheet-based processes, provided little to no visibility into the companies, and made management from the Red Deer headquarters difficult and time consuming.

The U.S.-based operation consists of three branches that sell and service power generation equipment along with servicing natural gas compression equipment. “When we acquired the branches in the United States and Canada, the IT infrastructure that supported these operations left with the selling company,” says Arne Lazzarotto, vice president of finance at Collicutt. “We needed to run the company from the headquarters, and our current systems made achieving that goal challenging.”

The lack of visibility across country operations was a hindrance to Collicutt’s management and growth strategy. That’s why the company needed to move quickly to install an enterprise solution that would give management the clarity and control it needed to run and grow the business. It also needed the new solution to be cost-effective to implement, be up and running quickly, and

bring about a timely return on investment. That’s why Collicutt teamed with implementation partner Zantek Information Technology Inc. to deploy the SAP® Business One application.

### **Bridging the Divide Between Multicountry Operations**

The executive team at Collicutt had a clear vision of what it was looking for in an enterprise solution. The company needed to rapidly improve communication and cooperation across its multibranch North American operation. In addition to improving efficiency and automation, Collicutt needed centrally administered and standardized business processes to increase productivity. “We need the ability to make solid, timely business decisions,” says Lazzarotto. “We also need to be sure that whatever we choose will be up and running on time and within budget.”

Collicutt issued a request for proposal seeking specific functionality in the new enterprise solution, including support for:

- **Account receivables** – For example, open-invoice and work-in-process tracking
- **Budgeting** – Such as cost center and departmental budgeting, budget versus actual variance reporting, and spreadsheet importing and exporting
- **Multicurrencies** – Including translating financial statements into other currencies
- **General ledger** – For example, inter-company transfers, consolidation of new company acquisitions and business units, reporting by department, and the ability to drill down in general ledger statements to source entries
- **Inventory control** – Such as multi-location inventory management, manufacturing and in-house part number tracking, lot and bin controls, kitting and assembly support, and management of up to 25,000 SKUs
- **Order entry** – Including quote to order to invoice conversion, back-order tracking, the ability to drop-ship, and support for multiple shipping addresses per customer
- **Sales analysis** – For example, sales forecast reporting and tracking

### **Finding the Right Solution and the Right Partner**

After fully evaluating enterprise solutions from several software vendors, Collicutt turned to SAP. “With SAP Business One, we have a solution that is scalable,” says Lazzarotto. “With a reasonable total cost of ownership out of the gate, the software lets us



“By choosing SAP software, we won’t have to completely redo our systems as our company grows.”

**Arne Lazzarotto**, Vice President of Finance, Collicutt Compression Solutions Ltd.

start small and continues to fully support us as we grow.” Because of the complex, multicountry distribution of its operations, Collicutt needed the real-time, enterprise-wide visibility that SAP Business One enables, as well as the application’s support for multicurrencies.

The company also recognized that the solid reputation of SAP and the solution’s

### **A Phased Implementation: On Time and Under Budget**

Collicutt proceeded with a phased implementation of SAP Business One to reduce implementation complexity and cost and promote standardization across its operations. “We completed our Canadian operations first, keeping in mind specific requirements we would need in the U.S. operation,” says

manuals that accelerated user adoption among the 25 business users in the U.S. operation. In addition, issues that arose in the Canadian implementation were resolved prior to the implementation in the United States.

By adhering to a standardized solution that met both Canadian and U.S. operational requirements, customizations were minimized. The Canadian implementation was completed in just five months, and the U.S. operation was completed in only two months. Collicutt’s implementation approach reduced its dependence on Zantek resources and thereby significantly reduced additional contractor costs. In fact, Collicutt’s final project cost was 11% under budget.

“With real-time transaction visibility, I can enforce workflow to maintain process integrity and build in specific alerts that let me know when there’s a problem. We can catch and deal with problems right away, without waiting for a reconciliation to reveal them one or two months down the road when they’ve become major, costly issues.”

**Ryan Krutzfeldt**, Controller, Collicutt Compression Solutions Ltd.

large user base would help ensure robust, long-term development support for SAP Business One. Lazzarotto explains, “By choosing SAP software, we won’t have to completely redo our systems as our company grows.”

Another advantage for Collicutt in choosing software from SAP was the globally deployed and locally available network of support partners. In fact, SAP chose Winnipeg, Manitoba-based Zantek to assist Collicutt in the implementation. Not only did Zantek demonstrate strong product knowledge, competence, and an investment in Collicutt’s vision, but it also helped minimize the company’s logistics costs by being locally available.

Lazzarotto. “That way we could ensure that the U.S. implementation would largely replicate the Canadian one.”

For Collicutt, conducting the first-phase implementation in Canada was critically important. The implementation consultant from Zantek was locally available, fully understood Collicutt’s business requirements, and worked closely with the company’s executives throughout the project prototyping and piloting phases. As each piece of the solution was built and delivered, it was piloted and approved by five business users in the Canadian operation. The users learned SAP Business One firsthand and developed detailed procedure

Along with SAP Business One, the company implemented partner solutions including Job Costing from Enprise Ltd. for use with SAP Business One. It provides comprehensive job cost management functionality that tightly integrates with the SAP Business One application interface and allows Collicutt to monitor projects for profitability.

### **Centralized Accounting, Operational Clarity, and Rapid ROI**

With SAP Business One operating across its multibranch, multicountry operation, Collicutt is taking full advantage of the operational clarity afforded by the solution. The company has centralized its accounting and financial functions to its headquarters. “With real-time transaction visibility, I can

enforce workflow to maintain process integrity and build in specific alerts that let me know when there's a problem," says Ryan Krutzfeldt, controller at Collicutt. "We can catch and deal with problems right away, without waiting for a reconciliation to reveal them one or two months down the road when they've become major, costly issues."

For example, the company can now manage work in process in both the U.S. and Canadian operations. In addition, real-time processing controls facilitate management by exception at Collicutt and improve operational efficiency, cutting in half the time it takes to prepare monthly accounting and financial statements. "We have far more confidence in our financial numbers, because our information is more accurate and timely," says Krutzfeldt. At the same time, the company has reduced the amount of effort required to manage its accounting and financial processes.

Collicutt will realize its ROI for the full project cost in 20 months – directly as a result of reducing administrative overhead costs. The company now has standardized business processes

that not only ease management of its diverse operations but also provide a strong platform for geographic growth. According to Lazzarotto, "The solution has really strengthened our decision-making capacity and provided an implementation model that lets us incorporate additional branch operations no matter where they are located."

### A Solid Foundation for Continued Innovation

Collicutt wants to fully leverage its SAP software foundation to achieve even higher levels of efficiency, service, and cost reduction. "We want to establish a ticketing system that connects our service technicians to their home offices using mobile devices, so we can process jobs faster and improve the efficiency of our field staff," says Lazzarotto. "We can use the visibility enabled by SAP Business One to achieve that goal."

Zantek Information Technology Inc.

**ZANTEK™**

Zantek Information Technology Inc. is an SAP channel partner that delivers world-class software solutions to companies in western Canada.

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