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Mr. Ryuzo Matsuyama
Daiwa House Industry Co., Ltd.
Information Systems Department
Director



Daiwa House Industry Co., Ltd. is using Fujitsu 's PoC support to promote SAP S/4HANA Cloud deployment to overseas locations

At a glance

Country: Japan

Industry: Construction

Founded: 1955

Employees: 16,725

Website: www.daiwahouse.com

Challenge

Daiwa House was growing rapidly overseas and wanted to quickly introduce a strategic accounting system that made management information visible in real time.

Solution

Fujitsu helped Daiwa House adopt a cloud-based accounting system as a basis for overseas strategies for continuous growth. Using the SAP S/4HANA® Cloud's PoC support provided by Fujitsu, Daiwa House are now working on a global accounting network at a rapid pace.

Benefits

- A standardized accounting system through a global shared service
- SAP S/4HANA Cloud seamlessly linked with SAP ERP of the group management foundation
- A low cost and short-term deployment of public cloud
- Real-time management consolidation makes it possible to quickly grasp the management situation and make business decisions based on accounting data

Customer

Daiwa House Industry Co., Ltd. is a well-known integrated housing manufacturer, that is expanding its business area to commercial facilities, urban development, and environmental energy. Since its foundation in 1955, it has brought various innovations to the world of architecture based on the concept of “the industrialization of architecture”. Its growth has continued into the 21st century, and in the 50th anniversary of its founding in 2005, the group recorded sales of more than 1.5 trillion yen. In 2018, it is aiming for a 4 trillion yen level of sales.

Products and Services

- FUJITSU SAP S/4HANA Cloud's PoC support



A strategic accounting system to support overseas development

Many companies are transforming from on-premise to the cloud, and from SAP ERP to SAP S/4HANA, to facilitate global expansion, standardization and more efficient operations across the enterprise. Daiwa House is no exception and is currently working on establishing an accounting system for overseas bases with SAP S/4HANA Cloud. This is also part of the development of an information infrastructure to keep pace with business growth.

Ryuzo Matsuyama, General Manager, Information Systems Department, explains: “We are rapidly expanding overseas, and we have already reached 20 countries, as of the end of September 2018. With this increase, stronger business governance and oversight is required. Our management need information in real time to detect risk signs quickly.”

However, the accounting system developed in Japan could not be expanded in its current form. In general, it is rare for an overseas site to have a dedicated IT manager at a small place. In addition, conventional methods developed and introduced individually for each site were too time consuming and expensive. Instead of customizing them individually, they needed a mechanism that could quickly introduce standardized business functions.

A public cloud ERP introduced at low cost and in a short period

“When expanding overseas bases one by one, we now start small and act like a startup. With a cloud-based ERP we can reduce initial investment and stand with a sense of speed according to business needs” explained Ryuzo Matsuyama. The Daiwa House Group uses SAP ERP as its core system and so the adoption of SAP S/4HANA Cloud was a natural trend in terms of creating a centralized information infrastructure, seamless system linkage, and effective use of accumulated skills and know-how.

Fujitsu became a technology partner to Daiwa House in 2012 when the company transferred its legacy accounting system to SAP ERP. The system built at this time is called “DG-CORE” and is currently used by 38 domestic companies. Fujitsu was selected as a partner in this SAP S/4HANA Cloud implementation as a result of this long-term trust relationship.

Clearing obstacles using Fujitsu PoC support

When the project started and actually touched SAP S/4HANA Cloud, Mr. Matsuyama realised it was a completely different project from conventional ERP, he explains: “When I got an explanation from SAP at the beginning of the project, I realized that I could not introduce it if I thought it was the same as the conventional ERP. I needed a new methodology! Therefore we decided to receive PoC support of SAP S/4HANA Cloud from Fujitsu.”

However, when actually starting, there were a number of issues that could not be confirmed just using the PoC verification environment. Updates would be made on a quarterly basis by SAP, so some of the service specifications and environment would change over time. SAP S/4HANA itself is the latest product, so there were many uncertainties and no Japanese-language material.

That’s why the support of Fujitsu was vital. As Matsuyama recalls, “Each time a problem occurred, the Fujitsu PoC staff member knew exactly how to resolve it.”

Malaysia is the first location for Daiwa House Industry’s SAP S/4HANA Cloud implementation. Development and training for local accountants has already been completed, and will be extended through 2019.

Daiwa House Industry is steadily evolving its information infrastructure to support future growth over the next fifty years. In the future, the company hopes to deploy and coordinate new accounting systems with SAP S/4HANA Cloud at locations around the world. The goal is to realize real-time management consolidation and to make it possible to quickly grasp the management situation and make business decisions based on accounting data. “To achieve that, we are considering trying to standardize the accounting process and launch a global shared service, for example, or cultivating a local CFO (Chief Financial Officer) in each region. The sales of 10 trillion yen at the 100th anniversary is not a dream story, and it is necessary to prepare a mechanism that can be driven to achieve it,” explains Mr. Matsuyama.

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