

mySAP R/3 Enterprise

# MK COMMERCE

### Company profile:

MK Group is one of the largest companies with total private capital share in Serbia and Montenegro, which comprises 14 different entities. The core of the MK Group is MK Commerce. MK Commerce is a trading company the main activity of which is export and import of agricultural products such as sugar, chemical fertilizers, pesticides, mercantile goods.

Following the main strategy of becoming a leader in sugar industry and achieving the highest market share on the domestic market, MK Commerce has become the owner of four sugar factories in Bac, Pecinci, Kovacica and Vrbas. The production capacity of these sugar factories covers 55 - 60% of the domestic market.

MK Commerce is dedicated to constant development and investment in high - quality equipment, keeping pace with technological development, adaptability to the market conditions, high quality management and satisfied personnel.



### Project description:

taken out of control, resulting in frequent downtime, and additional end user's dissatisfaction.

### Initial Situation:

Before the project kick-off, MKC had spent one year on preparation. In June 2003, MK Commerce was a wholesale company with 180 employees, out of which 9 of them were in the IT department designated to SAP implementation project. MKC had about 19 isolated information systems to cover its back-office activities. Reporting was extremely hard. For instance, sales data was coming from one system that was not integrated with the accounting system. This resulted in a time lag of 2-3 weeks (sometimes even more) between the actual business event and the creation of the official management report. In such environment, the end user's demand for continuous development of information systems was another obstacle for IT department. In several cases, the development was

### Challenge:

The main challenge was to integrate core business processes in the company's value chain. Even more, the company didn't have controlling function fully developed within its organization. While implementing SAP CO module, it was challenging to propose and implement organizational changes necessary to support internal accounting business processes. During the project, the company undertook another strategic challenge that came out as a result of flexible business processes already built into SAP's ERP system. As an owner of 3 sugar production plants, MKC was supposed to get full control over the raw material distributed to sugar production plants' subcontractors.

