

Jinan Diesel Engine Co., LTD. Sets Up ERP System Platform in China

Capgemini assists Chinese National Petroleum Corporation's (CNPC) subsidiary Jinan Diesel Engine Co., LTD. to create a unified ERP system strategy

The Situation

Jinan Diesel Engine Co., LTD. (JDEC) is CNPC's only internal combustion engine product-related enterprise. As a classic example of CNPC's decentralized industry, JDEC was selected as a trial unit for the installation of a production Enterprise Resource Planning (ERP) system. JDEC's ERP blueprint and solutions were used throughout the installation in CNPC's other industries, making it an excellent model. Capgemini assisted JDEC in its ERP information and systems implementation, helping JDEC to optimize its production planning methods, utilize quality tracking, and raise the level of information management while showing the economic benefits of it.

The Solution

Following the unified principles of CNPC's ERP installation, Capgemini utilized its global industrial know-how and its localization experience, and making careful note of CNPC's special

characteristics, helped JDEC to successfully implement its ERP/SAP system. JDEC's ERP had nine separate divisions and modules including finance, cost, production, materials, distribution, equipment, and quality management.

In addition to SAP standard solutions, Capgemini designed and developed a quality tracking system, optimized its control of multiple products, and created a purchasing platform for outside suppliers. With these solutions, Capgemini has clearly raised JDEC's management level and laid down a foundation for future development.

The Result

With JDEC's new ERP, one could sense the difference in thinking and improvement in management, with marked effectiveness on both micro and macro levels.

“Based on their co-operative spirit, we formed an effective team with Capgemini. As the project was completed, Capgemini showed great willingness to collaborate from start to finish, respect for the work, professional competence, strong analysis, and ability to solve problems. This really was the basis for the ERP project's success.”

Tian Shumin,
JDEC General Manager



JDEC's ERP project micro level benefits include:

- management reorganization, promotion of managerial change
- emphasis on connection, and task integration
- organization level planning, improvement in planning level of materials management.

JDEC's ERP project macro level benefits include:

- unified metrics, avoidance of information isolation
- improved management, better internal controls
- timely reactions, adequate analysis of reports.

How Jinan Diesel Engine Co., LTD. and Capgemini Worked Together

During the project, representatives from JDEC and other CNPC subsidiaries worked in accordance with CNPC's requirement to "create successful examples, accumulate implementation experience, form models for dissemination, and found a basis for universal implementation." Every phase of the project was completed according to plan. The team kept CNPC's holistic and long-term development goals in mind, abiding by the formula, "unity, maturity, practicality, inclusivity, and effectiveness." They acted upon JDEC's development goal of "becoming a modernly managed, market savvy, internationally competitive mechanization company with special and proprietary technology, combining R&D and production." They also insisted upon management's "great ideological emphasis, total co-operation in action, and the priority of system formation over daily activities." Capgemini exhibited "sincerely collaborative" values and patriotism in the following areas:

- Firstly, the JDEC ERP project was not only tied to future management improvement as a trial ERP in a decentralized industry, but was also a model for future endeavors in the CNPC group. To ensure

the coverage and universality of the project's solutions, Capgemini created a CNPC ERP system task group responsible for total project control. The group, made up of consultants specializing in all modules, was in charge of model creation and optimization. Requirements and feedback were given to the group so that they could decide which models to apply further optimization, and which to leave alone. This ensured the unity of the equipment manufacturing industry.

- Secondly, the ERP project was not simply an information system installation; it was also a set of control and management methods, organizational processes, and new habits. The project implementation did not only consider conglomerate level goals, but also the developmental and daily needs of individual organizations. JDEC and Capgemini, in the role of consultant, achieved hierarchical channels of communication. From the overall project direction committee, to project management, to the individual personnel, the timely

dissemination of orders and policies, and the resolution of daily problems, moved through this channel, providing feedback to management. This clear system of communication enabled the project to stay on track from start to finish.

- Finally, as an 80-year-old organization, JDEC information collection and management was the ERP project's focus and most challenging area. JDEC's large volume of data was spread over many departments. Capgemini's advice was to create a team of JDEC leaders in charge of user information management for the collection and verification of data. Once the ERP was online, personnel from each department continued to take responsibility for maintaining their part of the system.

As the system went online, monthly activities finished smoothly, and operations and maintenance began to take effect. Production planning, the purchasing platform, and quality tracking began to raise quality daily. With the benefits of greater quality, JDEC's ERP system will help JDEC reach the goals of its leadership.



About Capgemini and the Collaborative Business Experience™

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working, the Collaborative Business Experience™. The Group relies on its global delivery model

called Rightshore®, which aims to get the right balance of the best talent from multiple locations, working as one team to create and deliver the optimum solution for clients. Present in more than 30 countries, Capgemini reported 2009 global revenues of EUR 8.4 billion and employs 90,000 people worldwide.

More information is available at www.capgemini.com

The Jinan Diesel Engine Co., LTD. Co. (JDEC) was founded in 1920 and is China's only internal combustion engine related industry that has a connection with oil drilling. After over 80 years of development, JDEC has become China's biggest large-scale research production industry in non-vehicular, middle-high speed, middle-high

wattage internal combustion engines. And it is one of the few firms in the world with diverse competitiveness, capable of producing well drilling motors.

For more detailed information, please visit: <http://www.jichai.com>