Health and Beauty Firm Gains Real-Time Consolidation in a Multiple-Currency Environment

“With our business spanning four legal entities in different countries, consolidating finances had been a big challenge considering the differences in currency. Microsoft Dynamics AX ensures business visibility through seamless consolidation even with multiple currencies.”

Jennifer Chin, Chief Financial Officer, Kino Biotech Pte Ltd

Kino Biotech Pte Ltd is a leading supplier of health and beauty products, distributing nutritionals, supplements and other healthcare products to health and beauty retailers like Watsons. A publicly-listed company in Taiwan, Kino Biotech has headquarters in Singapore and also has offices in Malaysia and Indonesia.

“One big challenge when doing business in multiple countries is the difference in currencies,” says Jennifer Chin, Chief Financial Officer, Kino Biotech. “We consolidate our accounts for reporting for our publicly-listed entity in Taiwan, which is in NT Dollars. However, our operations in Singapore, Malaysia and Indonesia are accounted for in their local currencies.”

In addition, Kino Biotech also processes a big volume of intra-corporate transactions. “Our sourcing arm will do the buying of products and materials in the local currency. Then, these products are sold to the marketing arm located in our other companies of operation, which will again require accounting in the marketing arm’s local currency,” adds Jennifer.

With plans to expand further into other territories, the company requires visibility among its local entities throughout the region from its main offices in Singapore and Malaysia. According to Jennifer, the previous ERP solution that Kino Biotech utilized was unable to adequately handle the
Jennifer Chin
Chief Financial Officer, Kino Biotech Pte Ltd

Ms Chin is the Chief Financial Officer in Kino Biotech, overseeing and responsible for the planning, implementing measuring & controlling all financial-related and strategic activities in the Company.

Ms Chin was the Vice-President of Accounts & Administration for TR Networks Limited, which is listed on the Singapore Stock Exchange in 2002.

Ms Chin graduated from Charles Sturt University, Australia, with a Master of Business Administration.

“Previously, we had to wait until month-end and then manually consolidate our accounts using Excel spreadsheets, which took 7 to 10 business days. Now, we don’t have to wait until month-end, because we can do the consolidation in real time.”

Jennifer Chin, Chief Financial Officer, Kino Biotech Pte Ltd

multi-currency transactions. “Every month-end, our finance department undertakes closing of accounts, which requires currency calculations,” Jennifer says. “As exchange rates are constantly fluctuating, we used to have imbalances in our accounting due to the currency and exchange differences.”

Solution

Kino Biotech sought a better way to handle financial accounts, ensuring consistency and faster report consolidation. “Our first criteria for selecting an ERP had been the ability to handle multiple currencies,” says Jennifer. “The platform also had to be scalable and flexible enough to handle our planned expansion.”

The company selected Microsoft Dynamics AX, delivered by 9 Dots Consulting Group, mostly because of the flexibility of the platform and its ability to handle multi-currency transactions without the need for extensive customization.

Kino Biotech also evaluated other platforms, including SAP and Infor. While these were also able to handle multiple currencies, the concern was the capability of local partners in customizing those platforms for the needs of the company. “Local availability was a factor in selecting 9 Dots, not only because they had offices in both Singapore and Malaysia, but their experiences in Microsoft Dynamics AX gives us the confidence,” says Jennifer.

In addition, Kino Biotech needed to deploy the solution before start of calendar year 2014, as a requirement for publicly listed companies in Taiwan.

Benefits

“With Microsoft Dynamics AX, Kino Biotech has real-time resolution of accounting from our business entities across different countries,” says Jennifer. “We no longer have to wait until month-end to manually close our accounts for the period, which often comes with imbalances due to the fluctuating nature of currency exchange rates.”

Real-time consolidation and reporting. Being a publicly-listed company in Taiwan, Kino Biotech is required to publish reports on a regular basis. “Previously, we had to wait until month-end and then manually consolidate our accounts using Excel spreadsheets,” says Jennifer. This took seven to 10 business days after month-end, which resulted in some delays in reporting and in making business decisions. “Now, we don’t have

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