



SAP Business Transformation Study | Mill Products | UE Furniture

## How Does a Craftsman Improve on Perfection?

UE Furniture Co. Ltd. provides seats for the most important citizens in China, and nearly everyone else. With an artisan's spirit of "embrace innovation, pursue perfection," UE Furniture has fully implemented performance excellence management in crafting its chairs. It has steadily improved lean manufacturing and promoted product evolution amid waves of industrial upgrading. It consolidated and elevated its leading position in the industry and built a superior image of the UE brand.

As the only listed company in China's seating business, UE Furniture has never slackened its pace to pursue the ideal chair. After the IPO of A-shares in 2015, it embarked on its second-phase development to practice scientific and information-based management with SAP® software as the core. By introducing cutting-edge SAP S/4HANA®, the company proactively embraces globally sophisticated business processes that help it achieve success in its information-based journey. Its objective: to help customers keep the best seats in the house, office, and boardroom.





“Innovation is our basis. Only with **constant transformation** can we continue to deliver top products and reliable services to customers in our journey to make China’s seating business a world leader.”

Jiayong Zhang, President, UE Furniture Co. Ltd.

UE Furniture Co. Ltd. is a national high-tech enterprise that specializes in R&D, production, and distribution of ergonomic office chairs, massage armchairs, sofas, functional chairs, and accessories. With operations in over 60 countries and regions, UE has long-term strategic partnerships with many renowned professional buyers, retailers, and brand owners worldwide.



>200

Trade and brand customers worldwide



501

Patent applications, with 26 certified and 42 under review



\$8.9 million

In funds raised to invest in informatization in next 3 years

# Becoming the Most Popular Host with SAP S/4HANA®



**UE Furniture Co. Ltd.**  
Anji, China  
<http://gw.uechairs.cn>

**Industry**  
Mill products – furniture

**Products and Services**  
Production and distribution of  
office chairs, massage  
armchairs, sofas, functional  
chairs, and accessories

**Employees**  
>3,000

**Revenue**  
CNY 400.96 million  
(US\$60.7 million)

**SAP® Solutions**  
SAP S/4HANA®

**Partner**  
Deloitte Consulting

UE Furniture invites its customers to take a seat and be comfortable. And with overwhelming success. A leading Chinese manufacturer of seating solutions, UE Furniture has always innovated to stay ahead. Its choice for cutting-edge technology is SAP S/4HANA, with the modest goal of keeping customers happy with their seating arrangements.

## Before: Challenges and Opportunities

- Increase digitalization to improve management, business processes, financial quality, and operational efficiency
- Upgrade management model and provide basis for scientific decision-making to support lean manufacturing

## Why SAP and Deloitte Consulting

- Wide success in the manufacturing industry
- Principle of Run Simple, highly aligned with UE's core value of "embrace innovation"
- Deloitte Consulting's deep expertise of relevant standards and processes
- Ideal match of digital management methodology of SAP and UE's industrial upgrade project

## After: Value-Driven Results

- Unlocked data value through integration of business and financial data
- Standardized and modularized product design
- Enabled production-marketing tracking through integration of sales, production, procurement, warehousing, and production scheduling processes
- Sharpened information management thinking to accelerate UE's upgrade and management change
- Improved rate of timely delivery from 49.2% to 100%
- Increased accuracy of master data maintenance for materials, customers, and suppliers from 63% to 94%

**"In the implementation project with SAP, we formulated a series of rules and regulations, laying a solid foundation for ourselves as a digital and intelligent company."**

Zhonghai Fei, CIO, UE Furniture Co. Ltd.

Featured Partner

**Deloitte.**

**60.5%**

Improvement in accuracy of warehouse inventory – rising from 39% to 99.5%

**44%**

Improvement in sales order accuracy – from 51% to 95%

**35%**

Improvement in time of work-order month-end closings – rising from 65% to 100%



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