

## ■ Ege Gübre strengthens competitive ability with Netsis



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*In this structure, our resellers will be able to directly place their orders, monitor their orders and accounts.”*

Ege Gübre Sanayi A.Ş. was founded in 1973. The company laid the foundation of its compound fertiliser production unit in 1974 and started its production on 11 March 1978. The company's production plant is located 60 kilometres to the north of İzmir, on the coast of Aliağa Nemrut Bay, extending on a land of 679,648 sqm.

Founded as a Yaşar Holding initiative, today an affiliate of Gencer Holding together with Bağfaş, Ege Gübre's fields of activity comprise the preparation, production, supply and marketing of compound organic and inorganic plant fertilisers that are required in the agricultural sector, the production of chemical solvents, and jetty and ground services as well.

One of the foremost fertiliser producers together with Tügsaş, Toros, İgşa, and Bağfaş, Ege Gübre's yearly production capacity is 300,000 tons. The company exports to Morocco, Algeria, Spain, Greece and some other European countries with an export capacity of 20-25 thousand tons yearly.

Operating two jetties at the south

east section of the Nemrut Bay inner port, Ege Gübre handles its own loading-unloading and emptying operations of raw materials that are received from abroad and provides these ground services also to other companies as well. The company also provides warehouse services.

Ege Gübre's tank farms contain 23 types of tanks of different specifications, with capacities that range from 100m<sup>3</sup> to 2,650m<sup>3</sup>. While the storage capacity of the tanks is 23,000m<sup>3</sup>, they are suitable to store various types of chemical liquids. The 1,500m<sup>3</sup> tanks are specially equipped with a heating system and automatic fire extinguisher system. "The tanks stand 350 metres away from the jetty terminal and connect with pipelines."

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Ege Gübre executes its domestic sales through its reseller channel or via tenders. The company's reseller channel comprises over 500 resellers firstly in the Aegean region and the Marmara, Anatolia and Mediterranean regions of Turkey.

Indicating that they work with their resellers directly, Ege Gübre's IT Systems Manager Türkay Dirimli summarised their sales-distribution channel in these words: "We conduct direct relationship with our resellers through our sales department. There are no intermediary wholesalers; we invoice our resellers directly. Farmers are the clients of our resellers. We also have clients who purchase through tenders, such as Tariş, the Agriculture Credit Cooperation who in turn sell the product within their own organisation."

Explaining that the existing structure did not provide integration between Ege Gübre and its resellers, Türkay Dirimli stated their target to migrate to an integrated and online structure in the medium-term: "We target to establish a structure, within the next two or three years, in which our resellers can communicate their orders via the internet. Presently the internet usage ratio among our resellers is low. They therefore send their orders via fax, e-mail or by telephone. Then, of course, we directly enter the orders, which we receive through our sales team, into our system." Resellers will be able to directly place their orders in the targeted system, and monitor their accounts as well as the orders they have placed."



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They will be able to monitor the phase of their order, this is to say that they will be able to access the information about whether their order is loaded or dispatched.”

### Netsis responds to changing needs

Ege Gübre’s Information Systems Manager Türkyay Dirmilli stated that they began to use the ERP solution Fusion on January 1, 2005 and indicated the primary reasons for their decision to migrate to the new system to be the insufficiency of the previous system to respond to the legislative changes and the new business needs. While Ege Gübre has strategically opted to acquire a new system instead of developing a solution with an in-house IT team, the company management preferred to work with Netsis.

Explaining that they are using the invoice, ledger, current accounts, check-promissory note, production, inventory, bank, inflationary accounting, cost accounting and personnel modules of Netsis Fusion, Mr. Dirmilli remarked: “We use the MRP function in a limited manner because our bills of material are not diverse. We therefore do not require an intense usage of the MRP. We use the function particularly at year ends when we plan our budgets, to determine our raw material requirement; then make our contracts with our suppliers

according to the raw material requirements we have identified.”

### How the project was designed, how it was put to live usage

Ege Gübre’s Information Systems Specialist Ayhan Ergenç indicated that they began to analyse their expectations from the solution in the start-up meetings, which they held after they had decided on the Netsis project, and explained: “We decided on how we would configure Netsis. Because several entities operate with multiple cost centres at the same time, we conducted an intense study of how we should evaluate the joint balance sheet, the trial balances, and inflationary accounting and cost accounting phases of these entities. We had actually configured the programme by the end of October.”

Mr. Ergenç explained that they first started the installation with the sales applications: “We do not only sell the fertilisers we produce ourselves but also sell the products that we import. On the other hand, we also buy fertilisers from different supplier companies and sell to our resellers. Our sales conditions are therefore diverse. We use the condition definitions operation for this purpose. We have also adapted our transportation application accordingly to Netsis. We run our domestic and international shipment operations via our contractors. We further studied the methods of getting these reports in Netsis.”

Mr. Ergenç explained that after the sales application, they installed the customer current accounts application, in which the organic solvent production units each constituted an independent branch in their purchase and sales department. Mr. Ergenç emphasised that these branch applications were also launched together with the customer current

accounts application.

“We have evaluated our jetty and ground handling services as a separate project in Fusion’s project system. In this system we can assess the ships that arrive on our behalf and on third parties’ behalf in terms of the expenses and costs.” Mr. Ergenç continued: “We further worked on Inflationary Accounting. In Inflationary Accounting we are subject to the regulations of both the Capital Markets Board and the tax procedure law since we are bound to the Capital Markets Board. In the earlier system we used to get support from an independent programme for Inflationary Accounting. Thanks to Netsis, we do not need to do so now and our system has been integrated in Netsis. Presently Netsis is the only programme we are using.”

Reiterating that they completed the training, analysis and installation phases of the 35-user Fusion application in three different units (fertilisers, organic solvents and jetty and ground handling services) in as short as three months time, and put the system to live usage on January 3, 2005, Ege Gübre’s Information Systems Specialist Ayhan Ergenç added: “We have also successfully converted to the New Turkish Lira at the beginning of the new year since the infrastructure was ready in Netsis.”

### Criteria in selecting Netsis

- Local firm
- Good quality of after sales services
- Swift adaptation to legislative changes
- Reporting system
- Display configuration

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