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Rafael Fernandes, Group Financial Director AEL

Success Story

AEL Mining Services

Manufacturer and distributor of explosives and blasting services.

Business Info: AEL Mining Services

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A business blueprint for AEL Mining Services with SAP Business One, outside of South Africa



Strong inventory management capability, multi currency handling, forecasting and budgeting as well as system stability were the key system requirements when AEL Mining Services began evaluating enterprise resource planning (ERP) solutions for a roll-out across the organisation's 15 subsidiaries outside of South Africa.

“We wanted a system that would enable consistency and standardisation in terms of processes and reporting, and provide better management controls across the business. We also wanted to improve access to, and quality of, information; increase the accuracy of sales forecasting; firm up stock management and reduce inventory holding.

“Multiple currency capability was another important prerequisite of the system. Our subsidiaries report to head office in their functional currency, usually USD, while in-country reporting is in local currency. Very few solutions are able to handle dual currency reporting well, although many vendors advertise that they can,” says Rafael Fernandes, Group Financial Director at AEL.

The company looked at a number of solutions and the one that could best provide the necessary inventory management functionality, budgeting and forecasting, platform stability and true dual currency handling was SAP Business One, the ERP solution for small and medium sized enterprises. (An added advantage of the solution is that SAP Business One is also easily integrated with SAP Business Suite, which is used by AEL Mining Services' South African operation.)

AEL Mining Services contracted Bluekey Software Solutions to conduct the implementation, which kicked off in mid 2009. Bluekey is a South Africa-based technology company that specialises in the implementation of SAP Business One. The company has successfully completed over 150 SAP Business One implementations and has won the SAP Partner of the Year Award for four years in a row.

In a staggered approach, the solution has been rolled out to ten of AEL Mining Service subsidiaries including Tanzania, Mali, Ghana, Zambia, Zimbabwe, Botswana, DRC, Burkina Faso and Guinea, as well as Indonesia. This process has taken less than ten months. The next step is to implement the solution at the company's subsidiaries in Egypt, Mauritius and Chile later this year.



AEL Mining Services IT architecture was initially decentralised, but they have since put most databases onto a central server.

SAP Business One's architecture supports centralisation; and because of the SAP licensing structure, AEL only pays per user. The centralising of AEL's servers has also assisted in minimising hardware and software requirements.

According to Fernandes, the company is already reaping the rewards of using the system. Among the main benefits are improved inventory costing and management, increased control over user actions; better discipline in processing, improved access to information, faster and more accurate input of data, and multi-currency reporting.

“SAP Business One has allowed AEL Mining Services to implement a standard operating blueprint across all companies, thereby bringing uniformity across the organisation. The system, although delivering on our requirement for standardisation, is highly customisable, allowing it to be easily-aligned to the specific tax requirements of each country we operate in.

“It's also user-friendly. We have more people than ever before accessing the information they need to do their jobs optimally and efficiently. There is so much we want to do and we believe it will be possible with this solution. For now, our objective is to get everyone on the same platform and get the system bedded down. Then we can really start exploiting the vast functionality that SAP Business One has to offer,” he says.

Bluekey's Managing Director, Paul Marketos says it has been a challenging but rewarding project.

“We are proud of the role we have played in what has been an extremely successful roll out. All members of the AEL Mining Services team have worked with us in the spirit of partnership and teamwork that is so critical to the success of a large project like this. We look forward to assisting them with the roll-out to the remaining subsidiaries.”

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