iWatt Case Study
Tensoft On Demand Integration

"The benefit is that we now have SAP with our required transaction detail in it.... This was the main objective - to have all the data in SAP Financials. There are definitely benefits from that. The SAP users who aren't here can see our transactions on a regular basis, rather than waiting for month-end."
– Shungo Goto, Controller at iWatt, Inc.

Tensoft: How would you describe your company?

David Sutton: Dialog Semiconductor creates energy efficient, highly integrated, mixed signal circuits optimized for smartphones, tablets, ultrabooks, and other portal devices. We're a global company headquartered in Stuttgart Germany with R&D and marketing operations all over the world. iWatt - where we were previously employed - was acquired by Dialog last year.

Tensoft: So how long have you been working with Tensoft and in what capacity?

David Sutton: I was with iWatt for about 5+ years and was in charge of IT. Shungo was in charge of Finance. iWatt has worked with Tensoft for 7+ years now.

Shungo Goto: I've been with the company for 2 years.

Rosanna Buckley: I've been with the company for 2 years this June, but I didn't start using Tensoft FSM and RDM/D until last July.

Tensoft: So why did you need to integrate Tensoft FSM?

David Sutton: Dialog Semiconductor purchased iWatt in July 2013, so the two companies needed to integrate across all dimensions. Dialog runs SAP as the central ERP system, which gave us a new business systems focus. Integrating iWatt into Dialog Semiconductor necessitated a move to SAP Financials first. This required linking the Tensoft FSM semiconductor operations management systems to SAP. The Tensoft On Demand Integration supports the flow of our manufacturing financial results to the SAP finance module.

Tensoft: What sort of evaluation or review process was used prior to starting with the Tensoft OnDemand Integration?

David Sutton: We did an analysis - in conjunction with Tensoft - of all of the transactions that would result in GL, AR or AP financial entries and decided that those transactions were the scope that we would need to integrate. Tensoft's expertise helped us identify what transactions would be important to automate.

Tensoft: How would you describe the integration project timeline? Was it smooth and straightforward, any challenges, did the Tensoft team meet your expectations?

David Sutton: The timeline was actually pretty short. We were acquired in July, and the decision was made just a couple months later to do this.

TENSOFT®

Tensoft specializes in innovative, end-to-end ERP and supply chain solutions for the fabless semiconductor industry.

"Integrating iWatt into Dialog Semiconductor necessitated a move to SAP Financials first. This required linking the Tensoft FSM semiconductor operations management systems to SAP. The Tensoft On Demand Integreation supports the flow of our manufacturing financial results to the SAP finance module."
– David Sutton, Director of
Information Technology at iWatt, Inc.

The requirements – from a business and a technical perspective – were finalized in September / October. The integration had to be completed to go live on January 1, so the timeline was less than six months. The project required effort from the Tensoft team and the Dialog team to complete the technical mapping and integration as well as to define the appropriate transaction information and business requirements.

Tensoft: Knowing what you know now, is there anything that you would have done differently?

David Sutton: There was some learning on both sides – getting familiar with the specific configurations and technology. I think overall it was a very positive project.

Shungo Goto: Going back to your question about whether the Tensoft team met our expectations, I would say yes.

David Sutton: I would also add that it required strong project management inside of Dialog Semi. I had to make sure that things were moving along, because you are coordinating multiple parties - it's not the kind of thing that you can sit and let happen. The project management is important because, for example, Tensoft may be trying to coordinate with our people in Germany and they would want my help to get that information and vice versa - Germany might want something from Tensoft.

Tensoft: How would you describe the integration? What types of data is moving between systems, what types of monitoring in systems controls are in place and how do you stay confident in the integration process?

Rosanna Buckley: Pretty much all of the FSM and RDM/D transactions are moving through the Tensoft OnDemand Integration. We started with the RDM/D deferred revenue transactions and moved forward from there. So it's moving once I go into FSM and RDM/D and process the batch - it just depends on when I do that. For financial control we do a monthly reconciliation and make sure that all the reports match up to the General Ledger.

Shungo Goto: We reconcile ending inventory balances, revenues for the month, deferred revenues and so forth between the FSM and the SAP modules as a final check each month. The Tensoft modules are our sub-ledgers to the SAP financial system.

Rosanna Buckley: There are business rules in the integration. For example we've seen transactions weren't being processed, looked to see why, and found a master record wasn't established properly.

Tensoft: Is the close process vastly different than what you would do if

TENSOFT®

everything was in one system?

Rosanna Buckley: No. First I reconcile the summary postings from FSM and find any additional entries that I have to book. For instance, for FSM - for inventory - I book entries to re-classify inventory buckets for financial reporting. Then I reconcile in SAP to make sure all entries have come across and tie to the sub-ledger reporting.

Shungo Goto: As far as the question could we have done differently, we could have streamlined the integration even more knowing what we do now – saving a few steps.

David Sutton: Technically we have a dashboard that works well. It shows you the confirmed transactions and it lets you know any transactions have been rejected.

Tensoft: What is the average monthly cycle like?

Rosanna Buckley: The difference is when the transactions are posted, I make sure it interfaces between the 2 systems and then I book any entries that I have to book to reconcile twice. Operations processes have stayed exactly the same – and 99% of the close process has stayed the same as well.

David Sutton: We can fire the integrations manually or use the scheduled automation for that. Manually firing off the integrations has been helpful – either IT or business users can fire it off.

Rosanna Buckley: When I'm doing a month-end close and I need to move a transaction at that moment I can run the integration myself.

Tensoft: Looking back what are the benefits that you have achieved and is there is anything that you wish could be better?

Shungo Goto: The benefit is that we now have SAP system with our required transaction detail in it, SAP knows what transactions are driving cost and revenue. SAP can process production payables, and therefore support customer receivable processes. This was the main objective - to have all the data in SAP Financials. There are definitely benefits from that. The SAP users who aren't here can see our transactions on a regular basis, rather than waiting for month-end to upload a trial balance - which was the alternative scenario.

Rosanna Buckley: One of the things that we're looking at right now is to add the quantity through the interface, so that the quantity is showing up in SAP. Currently, every month I send the quantity information on the revenue amounts to the controlling department so that they can update

"Pretty much all of the FSM and RDM/D transactions are moving through the Tensoft OnDemand Integration. We started with the RDM/D deferred revenue transactions and moved forward from there. So it's moving once I go into FSM and RDM/D and process the batch - it just depends on when I do that."
– Rosanna Buckley, Accountant at iWatt, Inc.

TENSOFT.

CONTACT TENSOFT:

2121-B Ringwood Ave.

San Jose, CA 95131

www.tensoft.com

E-mail: solutions@tensoft.com

Telephone: (888) 450-4030

SAP in order to run certain allocations and reports.

Shungo Goto: Before January 1, we were running separate systems. Our financials were in Dynamics GP integrated with Tensoft FSM. Each month - after the close - we would upload an ending trial balance into the SAP system. So this way they could still run financial statements with our results but there were no details behind the numbers.

The steps we took allowed us to be able to provide more details into the SAP system, including all of the revenue and inventory type transactions.