



## Semiconductor Maker Implements ERP Solution In Six Weeks, Gains a Firm Grasp on Its Business

**Customer:** Amalfi Semiconductor

**Website:** [www.amalfi.com](http://www.amalfi.com)

**Customer Size:** 62 employees

**Country or Region:** United States

**Industry:** Manufacturing—High tech and electronics manufacturing—Semiconductor and electronic components manufacturing

**Partner:** Tensoft

### Customer Profile

Amalfi Semiconductor was established with the vision to develop a new generation of high-performance radio frequency (RF) semiconductors for the cellular handset market.

### Software and Services

- Microsoft Dynamics
  - Microsoft Dynamics GP

For more information about other Microsoft customer successes, please visit: [www.microsoft.com/casestudies](http://www.microsoft.com/casestudies)

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Joe Whitty, Controller, Amalfi Semiconductor

### Business Needs

Traditionally, high-performance radio frequency (RF) semiconductors for cellular handsets were designed with Gallium Arsenide (GaAs). However, [Amalfi Semiconductor](#) pioneered a lower-cost, better-performing power amplifier by using a complementary metal-oxide semiconductor (CMOS) process, which resulted in its patented AdaptiveRF CMOS power amplifier architecture. Based in California, the company outsources all of its manufacturing to and sells most of its products in Asia.

Experiencing rapid growth overseas and looking to the future with an eye to becoming a publicly traded company, Amalfi wanted to improve financial controls. It had outgrown Intuit QuickBooks and experienced these challenges:

- Inability to match actual physical inventory receipts with invoicing, which sometimes resulted in vendors accidentally overbilling Amalfi.
- A daily-snapshot inventory-reporting system that lacked support for process

inventory costing.

- Difficulty deriving booking, billing, and backlog information.
- Period closings that were extremely time-consuming and cumbersome.
- Inability to manage finances or consolidations for international operations.
- No systematic way to prescribe purchase order controls, thresholds, or approvals.
- Lack of self-service management reporting.

Amalfi sought a way to manage and support growth, remain in control of the business, and handle finances with accountability.

### Solution

After considering SAP OnDemand and Oracle 11i and reviewing vendors that attended the 2010 Global Semiconductor Alliance Expo, Joe Whitty, Controller at Amalfi Semiconductor, asked Microsoft partner [Tensoft](#) to conduct an on-site demonstration of [Microsoft Dynamics GP](#) business management software coupled

with Tensoft Fabless Semiconductor Management software. After the demo, the choice was clear. "SAP and Oracle either didn't provide process inventory costing, were too expensive, or required too much hands-on customization and support," says Whitty.

Tensoft implemented Microsoft Dynamics GP in about six weeks and subsequently implemented its Fabless Semiconductor Management (FSM) software.

Microsoft Dynamics GP gives the four-person finance department and key leaders in the organization what they need to manage the finances and the business.

To implement controls for compliance with the Sarbanes-Oxley Act of 2002, Amalfi Semiconductor used Microsoft Dynamics GP to create and automate purchase requisitions. With this solution, employees stateside and overseas can submit noninventory requisitions. An automated workflow routes the request to the appropriate manager.

Amalfi plans to enable multicurrency capabilities in the solution to support overseas operations.

## Benefits

With Microsoft Dynamics GP, Amalfi Semiconductor has a firm grasp on managing its business. By avoiding duplicate billing and increasing efficiencies with this powerful ERP solution, Amalfi Semiconductor has attained real cost savings that exceed US\$75,000.

### Efficiencies and Savings in Financial Management

For internal reporting, Whitty used to manually create a 20-page Microsoft Excel spreadsheet quarterly, a process that required the equivalent of one full week. Revisions, also done manually, consumed additional time. By using Microsoft

Dynamics GP, he has cut the quarter-close reporting process to a little more than an hour. "The quarter close has been our biggest efficiency gain since we've implemented Microsoft Dynamics GP," he says.

Before Amalfi switched to Microsoft Dynamics GP, the consolidation process was manual and involved exporting to Excel from five sets of books. Whitty says, "With reporting in Microsoft Dynamics GP, we consolidate our financial statements in five minutes, a process that used to take us a day."

The finance team at Amalfi finds month-end closings more efficient in Microsoft Dynamics GP as well. "We filter and distill transactional data to help us with reconciliations, and export transactional information into an Excel spreadsheet so that executives can manipulate and analyze the data," he says.

### Greater Controls, Better Visibility, and Easier Regulatory Compliance

Today, Amalfi can confirm the status of purchase orders, goods received, inventory, and lots, helping it avoid accidental overbilling by vendors. "In only a few months of using Microsoft Dynamics GP, we've identified and avoided \$75,000 in overbilling. The software is paying for itself," remarks Whitty.

Whitty can also more adeptly analyze variances and the reasons for them. "In the past, this was a black hole," he says. "Now, I not only see the variances, but I can also track them all the way back to my general ledger, which gives me the insight I need to explain the reasons for the variances to our executive team."

Executives now can gain insights into business performance and use data in Microsoft Dynamics GP to better project sales, inventory, income, and billings.

"What's powerful and yet simple is that because it's in a Microsoft SQL Server database management system, we can customize executive reports, filtering by certain parameters such as product, customer, or ship date."

In addition, Amalfi now meets regulatory mandates with greater ease. "With the automation and value thresholds we set up, we can ensure compliance with Sarbanes-Oxley," Whitty comments. "It was very easy to set up the workflows."

### Preparedness for the Future

As the prime mover and with a patented manufacturing process in its niche, Amalfi is well positioned for future success and is equipped with insight into and control of its financial accounting. "Having come from a company that had a more expensive and cumbersome ERP system that lacked the management reporting tools of Microsoft Dynamics GP, the change is very rewarding," remarks Whitty. "With Microsoft Dynamics GP, powerful reporting and analytics tools, and productivity applications from a single software company, we can grow our sales and operations based on real insights into the actual needs of customers. If we had to do it all over again, we'd make the same choice."

The new ERP system helps Whitty accomplish more at work. "I experience a huge amount of job satisfaction and far less stress," he says. "I can be more efficient in my day and tackle new projects that, in the past, I might have had to postpone to do the fifth version of my manually prepared 20-page report. I'm excited to see the company grow with the help of Microsoft Dynamics GP."