

Case Study - Deploy Maquiladora Program

Customer **Tire Company**
Industry **Manufacturing Industry**

About Customer

One of the largest manufacturers of rubber, company is a significant key player in the tire industry. The Tire Division, based in US manufactures and sells a wide range of tires including commercial truck, automobile, passenger, agriculture tires and more. It has multiple manufacturing plants and distribution centers scattered across the country. It supports the most extensive network various channels like Dealers, OEMs, Fleets and more.

Business Challenge

As a business strategy to leverage the tax treaties between Mexico and US, the company decided to implement Maquiladora program. In simple terms, the program benefits both US and Mexico, provided certain regulatory requirements are complied.

Technically, a maquiladora is a Mexican Corporation which operates under a Maquila program approved for it by the Mexican Secretariat of Commerce and Industrial Development (SECOFI). It entitles the company, first, to foreign investment participation in the capital -- and in management -- of up to 100% without need of any special authorization; second, it entitles the company to special customs treatment, allowing duty free temporary import of machinery, equipment, parts and materials, and administrative equipment such as computers, and communications devices, subject only to posting a bond guaranteeing that such goods will not remain in Mexico permanently.

QS&S Solution

QS&S offered vast knowledge and deep understanding of the Maquiladora program with its complex intricacies. As is the case with many such regulatory and tax programs, one of the biggest challenges was to have clear understanding of the regulatory requirements and then design these processes in SAP.

The QS&S project and functional team has prior experience with implementing Maquiladora programs. The team provided deep understanding of the programs and provided valuable guidance on how to design the requirements in SAP. Once the scope of the program was fine-tuned, the processes were mapped in the SAP. The configuration involved various processes in Manufacturing (MM), Fixed Assets (AA), Production Planning (PP), Quality Management (QM), Selling (SD) and Financials (FICO). In addition, the custom programs and interfaces were built to comply with the regulatory reporting requirements, including for the pedimentos, using third-party agents.

Benefits

- Take advantage of the Maquiladora program
- Leverage the commercial benefits of Mexico labor
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Technology

- SAP ECC 5.0
- SAP Application Modules – MM, PP, QM, FI, CO
- Interfaces using IDocs and ABAP

Methodology

- Accelerated SAP (ASAP) project methodology
- Understand, analyze and gather business requirements
- Base-line configuration of the system to demonstrate the functionality
- Unit Testing and User Acceptance Tests
- Go-live Cut-over planning
- Post go-live Support

Why QS&S?

- Acknowledged SAP Experts in the industry
- Deep knowledge and understanding of SAP processes, procedures and functions
- Specialized domain expertise of Business, Functional and Technical knowledge of Maquiladora programs

About QS&S

Quality Systems & Software (QS&S) is a Business & Technology consulting firm with special focus on maximizing ERP investment. QS&S offers full-scale SAP services including – [Global Roll-outs](#), [New G/L](#), [GRC](#), [GTS](#), [Fresh implementations](#), [Upgrades](#), IT Support, Remote Consulting, Offshore Development and more. Our experienced team is ready to take on new initiatives and projects up to \$10 million. For more information, please visit us at <http://www.QSandS.com> to review our offerings and services.