
SHAPING A SUSTAINABLE FUTURE

First-Ever SAP implementation in the reclaimed rubber industry

Spurred by the vision for creating sustainable value for its customers, Gujarat Reclaim & Rubber Products raised the value bar by teaming up with Patni, to be the first ever company in the reclaimed rubber industry to have implemented mySAP

In the quest for higher profitability, few companies have shown the commitment for a future in which all communities share a vision for pursuing growth opportunities while maintaining a sustainable relationship with earth's natural resources. Amongst these few companies, Gujarat Reclaim & Rubber Products Ltd occupies a prominent place in the history of companies who have struck an effective balance between economic gains and ecological goals. Endeavoring to be at the forefront of new-age technologies, Gujarat Reclaim has emerged as one of the top five manufacturers of reclaimed rubber products in the world.

LEVERAGING TECHNOLOGY FOR ENHANCING CUSTOMER VALUE

Driven by the management vision of driving more value for customers year after year, Gujarat Reclaim firmly believed that putting the customer in the driver's seat made good business sense. As the company started expanding its footprint in global markets, it realized that besides the imperatives of low cost, high quality, and speed in decision-making, the company should have systems and processes that would earn for it, the reputation of being a company that is innovative and 'easy-to-do-business-with'.

The desire to evolve its operations inspired the company to benchmark against industry best practices, drive operational improvements and seek process standardization across various business functions.

INTEGRATED BACK-OFFICE APPLICATIONS FOR EFFICIENT SERVICE DELIVERY

Gujarat Reclaim had relied on systems that were commissioned to address only the needs of a singular function. Over the years, Gujarat Reclaim realized that a unified transaction environment was crucial for efficient service delivery and reduced costs of operations. A suboptimal systems landscape dotted with disjointed homegrown systems could do very little to improve the information transparency required for speed and accuracy in decision-making. The company determined that it needed to overhaul its existing IT systems if it wanted to have better control of operations to manage and sustain growth. The company identified that faster availability of information and adherence to industry benchmarked standard practices would prove to be a competitive advantage in the highly unorganized business of the reclaimed rubber industry.

Gujarat Reclaim's objective was to have an integrated view of all information resources i.e. general ledger, order entry, billing systems, inventory systems, and shop floor control and manufacturing operations.

IMPLEMENTING SAP TO HAVE A PROCESS VIEW OF BUSINESS

With the objective of streamlining business processes, the management concluded that an ERP solution would prove to be useful in obtaining a consistent, singular view of the business at any point in time and in reconciling and removing inaccuracies in the data available with accounts, stores and purchase departments. After a rigorous review of the available solutions in the market, Gujarat Reclaim identified SAP as the ERP solution as it was a full featured application and was scalable to cope with future development needs of the company.

PATNI AS A TRUSTED TECHNOLOGY ADVISOR

Gujarat Reclaim realized that successful implementation of SAP would require the expertise of a strategic partner. It selected Patni as the implementation partner due to its cultural compatibility, software competency, and domain knowledge.

Patni and Gujarat Reclaim worked closely to successfully complete the first ever SAP implementation in the reclaimed rubber industry. The Patni team demonstrated a great sense of camaraderie which combined with their technology expertise were factors that helped us transition from a people driven to a systems driven business.

Rajendra Gandhi

Managing Director

Gujarat Reclaim & Rubber Products Ltd.

Patni conducted a detailed analysis of the various business parameters related to production, pricing and inventory. Based on the understanding of the business requirements and the implementation timeframes, Patni used the standard ASAP methodology for execution of the project. iReturns, its proprietary tool proved useful for calculating the ROI for different scenarios.

COMPREHENSIVE CHANGE MANAGEMENT FOCUSED ON PEOPLE, PROCESS, AND TECHNOLOGY

With decades of experience in SAP implementation, Patni recognized that success of ERP implementations hinged on the active involvement of end-users. Keeping this insight in perspective, Patni detailed a comprehensive change management roadmap for helping the company's users embrace change rather than resist it. The implementation team analyzed

all the issues of concern, determined the cause and took corrective actions, wherever necessary.

SENIOR MANAGEMENT SETS THE DIRECTION

Senior management participation made a significant difference in the successful implementation of ERP in Gujarat Reclaim. They spent a good deal of time in promoting how ERP could help deliver upon the vision of creating value for customer - year after year. The sharing of vision re-energized the staff and provided them direction. The insights about different ways of value creation spurred process innovation and catalyzed the shift from homegrown systems to ERP. Their active involvement at all stages of implementation lifecycle paved the way for Gujarat Reclaim to use change as a driver for organizational growth.

ADHERENCE TO BEST PRACTICES DRIVES OPERATIONAL EFFICIENCIES

Within just eight months of operations on the new system, Gujarat Reclaim has started seeing significant payoffs – made possible by adapting to the best practices laid down by the ERP system.

The implementation of SAP has changed our approach towards business. It has helped us to adapt our operations to the best practices and deliver extra value to our customers through better inventory turns, lean cost structures, and diversity in offerings.

Rajendra Gandhi

Managing Director

Gujarat Reclaim & Rubber Products Ltd

Improved planning and accurate delivery dates for products: With SAP, it is possible to retrieve information about the inventory of raw materials of various grades, create recipes, and plan the manufacturing of a variety of products. This capability has helped the company in adhere to accurate delivery dates for each of its end-products, and increase its planning horizon from a couple of weeks to two months.

Flexible pricing for maximizing customer value: With the support provided by SAP, Gujarat Reclaim can offer complete transparency in the cost structures. Today, the company is able to control critical parameters such as packing costs, freight costs and costs due to material rejections. With this capability, the company is now able to offer flexible pricing to its customers – a capability that was non-existent in the earlier system.

Support for local business requirements: The SAP system has simplified the complexities involved in financial accounting as per the law of the land. It provides flexibility to take into account, statutory requirements pertaining to excise duty, value-added tax, income tax, and sales tax. Notwithstanding this ease of use provided by the

software to accommodate local business requirements, SAP has enabled Gujarat Reclaim to do business with companies across the globe.

WAY FORWARD

Having turbocharged the smooth functioning of business on a transactional backbone, Gujarat Reclaim is now looking at systems that can analyze data by using technologies such as Business Intelligence. Also, on the anvil are plans to implement SAP's Plant Maintenance module for integration of all aspects of plant maintenance processes with production planning.

For a company that has always believed that it is not just accountable to its stakeholders but also future generations, the move towards SAP has translated into a more focused approach in creating a world that meets the needs of the present without compromising the future of the next generation.