Organizational deterrents overthrown: the IT way

The success story of Madras Cements Ltd, who on adopting an effective ERP system found their route to the Eden of success and prosperity

Success is achieved only when a conventional practice is stopped and an innovation is fused in. The growth story of Madras Cements Ltd (MCL), a South India-based cement manufacturer, is a perfect testimony of how an intelligent solution can allay operational complexities, which arise as a consequence of business expansions.

"The company has been able to achieve the distinction of being a technology leader in the cement industry," states A V Dharmakrishnan, Executive Director - Finance, Madras Cements Ltd, who glows with pride over the company's accomplishments.

The first dip into IT

Until 1990, MCL was hassled with several business complexities such as manually distributing and accounting deals. The liberalization of cement industry in the 1990s led to an open market and increased competition. Accurate, transparent, and timely information was required to be collated, effectively. "This was the pre-ERP (Enterprise Resource Planning) era when no real-time information was available. Besides, information was neither consistent nor transparent," shares Dharmakrishnan. These requirements helped realize the need for a system, which could coordinate data across all units and departments, and this provoked MCL to take a head-on plunge and invest in a well-equipped IT infrastructure.

The rendezvous with ERP

Once the need was identified, MCL deployed the Ramco Marshall ERP system in the mid-90s. However, even this system seemed inadequate to deal with the gigantic across-the-units data management requirements. Therefore, the decision to upgrade the IT infrastructure with the Ramco ERP Enterprise Series version 4.2 was taken.

The ERP solution, distributed geographically across various plant and marketing locations, comprises modules for finance, sales, distribution, logistics, purchase and inventory, HR and payroll, management accounting, CPP (Continuous Process Production), ore management systems, and plant maintenance. This solution is also customized as per requirements.

ERP: an apt system that fuels uninterrupted success

"The solution is a continuous process production suite, which is capable of handling large transaction volumes generated by the MCL plants," reports S Sunderaraj, Senior Vice President, Enterprise Solutions and Indian Operations, Ramco Systems. Ramco Systems formed a task force for all major business processes to debate and discuss the problems faced by end users, unit heads and the management at MCL, and thereby, to enhance quality. "Ramco Systems has customized the solution for us in a manner that fits our needs like a glove," recalls an elated Senior General Manager-IT, MCL, Mr. Varadarajan.

"It has been 18 months since the implementation of the upgraded version, and MCL has achieved recurring cost savings, besides reaping other tangible benefits like heightened operational efficiencies. We received tremendous support and assistance from our vendor, Ramco Systems, which took care of the smooth implementation of the system, thereby overcoming employee resistance and inhibitions, effectively."

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ROI

Today, the company has effectively sourced the demands and supplies. They are now capable of plugging holes in real-time information feeds, which are available online. This not only helps derive monetary benefits, but also aids in achieving process efficiencies. In the last financial year, the company recorded gross sales of 2703 crores.

The company now fervently aims at retaining its status as one of the pioneers in the business, whose growth is heightened with technological innovations. With this unconquerable commitment, undying dedication, and undiscouraged thirst for innovations, the company can never be restrained from achieving laurels.