A **Multi-faceted** Group Of Companies Powers Ahead, **Steered By IT**

Efficiency is all about making existing processes better. Guided by this vision, Parry Enterprises India Limited—a company with diverse operations, is shooting ahead, using IT to achieve end-to-end visibility across its processes.

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Except for its name, which owes its origin to Thomas Parry—an English trader who set foot in Chennai two centuries back—everything else about Parry Enterprises India Limited (PEIL) is contemporary and driven by technology. The company comprises three strategic divisions, quite diverse in nature—Tuflex India, General Marketing Division and Parry Travels. Tuflex India is into manufacturing engineering plastic products and flexible packaging material, General Marketing Division is into trading food products (ingredients) and Parry Travels, as the name suggests, is an IATA approved travel agency. The company has five branch offices (four in the south and one in the west of India).

PEIL has to manage a network of primary and secondary distributors, and also ensure easy availability of materials to customers in India. It directly services major customers that deal with various end user products like biscuits; bakery, dairy and confectionery products; pharmaceuticals, beverages, processed foods,

On-premise versus Web-based ERP

We tried to understand the cost-differences between an on-premise and a Web-based ERP system. Bhaskar feels: "If you take a long-term view, both cost the same; it's just that in the formers case an organisation pays upfront and in the latter, it pays an upfront licence fee and thereon incurs monthly recurring expenses." On an average, the per user per month cost ranges between Rs 7000 and Rs 8500, depending on the features opted for by a company, he adds.

Making the most from a Web-based ERP implementation

We also tried to explore the best practices that users can adopt to make the most of a Web-based ERP system. Sukumar shares the following tips:

1. Ensure strict adherence to the project plan
2. Ensure that the business requirements are gathered and modelled accurately
3. Avoid backlog entries as far as possible
4. Ensure the involvement of the top management through out the project
5. Ensure that the required Internet bandwidth is available at any given point of time

textiles and more. The division also represents many Indian and multinational companies for a range of food ingredients, chemical intermediates and retail products.

It is interesting to note how the company manages these diverse requirements, with perfection. "The only way an organisation can do this is through operational efficiency, which is difficult to achieve through manual processes. It is IT that can help businesses get an end-to-end view of operations and hence steer growth," affirms M K Bhaskar, VP-Sales, PEIL.

The company has been expanding and scaling up operations, adopting some of the best IT practices that meet the needs of a trading business. As the company's products have a limited shelf life, it is critical that goods are dispatched on a first-in-first-out basis, says Bhaskar. Thus, ever since

inception, the company has been relying on technology, gradually adopting solutions that meet the evolving requirements, he adds.

The growing complexities

It is rightly said that growth brings in new challenges. Something similar began to happen with PEIL in 2006, when its business started to scale up. The company realised the need to have a system whereby the management could have more control over the organisational information.

By way of IT solutions, the company had a few customised FoxPro-based finance and inventory

M K Bhaskar, VP-Sales,
Parry Enterprises India Limited

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solutions put in place. These were developed by the in-house IT company, Murugappa Group, PEIL's parent company. But since the company was scaling up, the transaction volumes were also growing. The management felt the need to go in for a more robust and established solution to handle the growing complexities.

Another challenge related to meeting statutory requirements. Bhaskar explains: "We import food products through two major ports of Chennai and Mumbai; these products are required to be moved

to various branch locations across India. Since there was no standard system in place, computing value in accordance with the different tax systems prevailing in different parts of the country was necessary to prevent any revenue loss."

Information on finance, sales, purchase invoices and shipment was also not available on a real-time basis. Non-standard business procedures and disparity in the reporting formats delayed real-time data for decision making. It was then that the management started looking around for options. The company didn't want to opt for an on-premise implementation as that required huge infrastructural investment. Besides, it didn't want to create an IT backend that required regular upkeep and maintenance, Bhaskar adds.

The transition to the ERP Web!

Guided by these considerations and the IT team of the Murugappa Group, the company narrowed down on Ramco OnDemand ERP (RODE)—a Web-based ERP system. "Though the Murugappa Group had a preference for SAP's ERP solutions, an exception was made for PEIL considering the nature of its requirements," says Bhaskar.

Since the nature of operations for a trading business is very different from that of a manufacturing unit, the company invested time and discussed the process-level and end-user requirements with the solutions provider. All key processes that were required to be integrated into the new ERP system, were re-defined.

With its head office in Chennai and branches across South India, PEIL required an integrated system that could consolidate purchases from all their branches, take stock of items that were transferred to branches and

PEIL, a part of the Murugappa Group

PEIL (www.peil.in) is the trading arm of the Murugappa Group, a well-known business conglomerate based in Chennai. The Group is into abrasives, engineering and bicycles, bio-products, sanitary ware, plantations, sugar, farm inputs, finance, insurance, and nutraceuticals. "Many of the group companies have been pioneers and market leaders in their respective fields with over 40 manufacturing operations across 12 states in the country," says Bhaskar.

manage local sales. The company wanted a system that could efficiently cater to its multi-branch, multi-location requirements; in other words, something that could render a holistic view to the overall organisational processes, recalls Sukumar R, general manager—Sales, Ramco OnDemand ERP

The multi-branch implementation was done in a span of nine weeks since PEIL wanted to stop using the legacy system from 1st April, 2007 and go *live* on the new ERP system for its complete business processes. Hence Ramco had to complete the entire implementation (including post *live* support) within a span of two months. The implementation started in February 2007, recapitulates Sukumar.

Training

The success of any ERP implementation depends largely on the way the new systems are adopted by the employees of that organisation. The management at PEIL addressed this requirement, meticulously. To ensure the employees adapted well to the new systems and processes, training for all employees was conducted for three consecutive days at Ramco's corporate office at Chennai, recalls Sukumar. This helped in drastically reducing the training

time and also in ensuring that all PEIL employees, across branches, were in sync with each other, he adds.

The scenario post process-integration

Currently, virtually all organisational functions, such as the sales order process, the invoicing system, expense management, collection management, finance management, and so on, have been integrated into the new ERP system. "We don't have any parallel systems running. RODE is the sole point of organisational information

Sukumar R, General Manager—Sales, Ramco OnDemand ERP

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access," says Bhaskar.

The company is happy with the structured way in which the new ERP system works. Not only are the processes more structured, but incidents of errors have also come down. The systems are more reliable, says Bhaskar. Another good aspect is, the ERP system is able to service all statutory requirements, like reports generation for tax filing, etc, he adds.

Enumerating the key benefits of the RODE system, Bhaskar

says: "At the micro level, efficient supply chain management, effective tracking of materials, reduced operating and inventory carrying costs, efficient tracking of accounts payables, online financial reporting, and greater resource sharing, monitoring and control, are some of the advantages that we are experiencing." The company also aims to fully leverage the analytic aspect of the ERP system to make better decisions and also generate tailor-made MIS reports required for departmental/branch-wise reviews.

PEIL believes that technology adoption has made the organisation a lot more efficient in executing its processes, and delivering service to its customers.

Apart from the ERP system, the company is using state-of-the-art communication tools, like video conferencing solutions, etc, to communicate effectively with stakeholders and customers.

Plans on the anvil

Currently, the company is evaluating the integration of the ERP system with a mobile gateway to enable access to the ERP system over mobile phones, through SMSs or e-mails. The aim is to establish a system that enables customers and employees to stay connected, 24x7, with the relevant organisational information.

Keeping its processes in clear line of sight has been PEIL's mantra to establish operational transparency. This has been mainly instrumental in ensuring its success, says Bhaskar. In the future too the company wishes to continue with this growth trend and use technology as an enabler of efficient processes, and robust customer service. ■