

Reclaimers Claim Nirvana

Gujarat Reclaim raised the value bar amongst its peers by becoming the first ever company in the reclaimed rubber industry to have implemented mySAP solution



Gujarat Reclaim and Rubber Products (GRRP) produces reclaim rubber from scrap of whole tyres, tread peelings, natural rubber tubes, butyl tubes, molded rubber products for different applications in both tyre and non-tyre rubber products. Established in the year 1974, GRRP started production with a modest capacity of only 2400 MT. After years of steady growth, it has not only increased its capacity manifold, but has emerged as one of the largest manufacturers of

reclaimed rubber in India, and one of the top five globally.

Service Delivery Inspires Tech Change

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.

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 sub-optimal

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. 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.

Selecting the SAP Tonic

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, SAP was found to fit the bill perfectly, while Patni Computers Systems was selected as the implementation partner.

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. Rajendra Gandhi, MD, GRRP claims this to be the first ever SAP implementation in the reclaimed rubber industry. "The SAP deployment helped us transition from a people driven to a systems driven business," he adds.

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.

Counting Business Payoffs

Within just eight months of operations on the new system, Gujarat Reclaim has started seeing significant payoffs - made possible by adapting

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.

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.

The SAP system has simplified the complexities involved in financial accounting as per the law of the land. It provides flexibility to take into



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—Rajendra Gandhi, MD, GRRP

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," opines Gandhi.

Some critical business benefits include improved planning and accurate delivery dates for products, flexible pricing for maximizing customer value as well as support for local business requirements. With SAP, it is now 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

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.

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.

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