

GRRP raises the bar

As the largest producer of reclaimed rubber in Asia (and amongst the top five in the world), Gujarat Reclaim and Rubber Products (GRRP) knows it has to be a step ahead to remain competitive in the market.

When it started to expand its footprint in the global markets, GRRP knew that it had to overhaul its existing IT system if it wanted to have better control of its operations and manage its growth. As such, teaming up with Patni Computer Systems, it implemented the mySAP ERP (enterprise resource planning) solution, making it the first company in the reclaimed rubber industry worldwide to adopt the German software company's SAP methodology. It also implemented a proprietary cost-benefit analysis framework (i>Returns) and a comprehensive change management roadmap for the ERP.

"The ERP solution has helped us transition from a people-driven to a systems-driven business, adapt our operations to the best practices and deliver extra value to our customers through better inventory, lean cost structures and diversity in offerings," said Rajendra Gandhi, Managing Director of GRRP.

Established in 1974, GRRP reclaims rubber from tyres, tread peelings,



"Besides the imperatives of low cost, high quality and speed in decision-making, the company must also be easy to do business with. And this is the reason for implementing ERP," said Rajendra Gandhi

natural rubber and butyl tubes as well as moulded rubber products. Over the years, its production capacity has grown to 40,000 tonnes/year and it supplies the automotive, engineering, civil construction and ground surfacing sectors. GRRP also supplies machinery and components to recycled rubber manufacturers.

Since the reclaimed

rubber industry is generally disorganised, the company identified that faster availability of information and adherence to industry benchmarked standard practices would prove to be a competitive advantage. Hence, GRRP's basic objective in implementing ERP was to have an integrated view of all its information, such as the general ledger, order entry, billing systems, inventory systems, shop floor control and manufacturing operations, where previously it had relied on disjointed homegrown systems.

Within just eight months of having implemented the new system, the Mumbai-based company says it has begun to see significant business benefits. Apart from the four-fold increase in manufacturing planning (from a couple of weeks to two months), benefits include meeting lead times, being able to offer flexible pricing and providing support for local business requirements worldwide. With regards to flexible pricing, Gandhi says the company can now be transparent in its cost structures and is able to control critical

parameters such as packing, freight and material rejection costs. Since it can easily retrieve information, like the raw materials inventory, create recipes and plan the manufacturing of a variety of products, GRRP says it is able to achieve accurate delivery dates.

With a wide geographical presence in India, GRRP also exports to 35 countries and has achieved an export growth of 30% annually over the last seven years. According to Gandhi, the SAP system was important for its business abroad. "It simplifies the financial accounting complexities in terms of respective country jurisdiction, as well as excise duty and value-added, income and sales taxes. In short, the system facilitates GRRP's drive to do business across the globe."

The company is now looking at systems that analyse data by using the "business intelligence" technology and there are plans to implement the plant maintenance module so that all aspects of the maintenance process are integrated with production planning. ♦