Collateral For Business Process Improvement (BPI) Enabled ERP Implementation

CompuBee

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Title	Collateral For Business Process Improvement (BPI) Enabled ERP Implementation
Authors	Chandrashekhar S. Joshi
Distribution Date	02-Apr-2012
Contact Details	sales@compubee.in; sales@compubee.net

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Introduction

During the last few years, the manufacturing sector saw a major turn-around in their manufacturing strategy. Manufacturing sector had to prepare itself to face tough challenges offered by opening up of economies. New players coming into the scene having low production costs with improved product quality. Higher tariff rates are no longer available for companies to protect them from competition offered by these low cost manufacturers.

These challenges made organisations re-think about creating USP for products as well as reducing manufacturing costs of products while improving quality of those products. Most of the manufacturing organisations are managing these changes in different way by peace-meal approach. Few of them, who have visionary leadership, are managing these changes by taking a unified approach. For managing these changes more effectively, the organizations need to streamline their Manufacturing processes, if required re-engineer them and make them agile and efficient. **In general for remaining competitive in market, manufacturing organizations need to move from reactive environment to proactive environment.** This would help them to be competitive in market and few steps ahead of their competition.

With its offerings of ERP implementations / customizations and Bespoke development in manufacturing domain, we have gained expertise in this domain. We have worked with world leaders in their fields and know how to design best processes, implement them and reap the benefits of re-engineered processes. We would like to share this vast experience with the clients to carry out Business Process Improvement (BPI) in manufacturing arena.

Value Proposition

We are having a rich and diverse experience of ERP implementations such as Infor$^{®}$ BaaN IV, ERP (5.0) and ERPLN (6.1), Oracle$^{®}$ EBS (11i). We also have experience in optimisations of ERP implementations to improve the return on ERP investments and customer satisfaction indexes. We have performed Business Process Re-engineering (BPR / BPE) in manufacturing vertical.

We have worked with many manufacturing organisations in India and abroad. We can share this varied experience with industry leaders with the clients to achieve their BPI goals such as:

- ✓ Reducing Manufacturing Costs, benchmarking them against the industry standards and excelling these benchmarks.
- ✓ Improving the return on investments
- ✓ Improving the working capital turns and
- ✓ Improving the Customer Satisfaction Index (CSI)

✓ Reducing complexity of processes
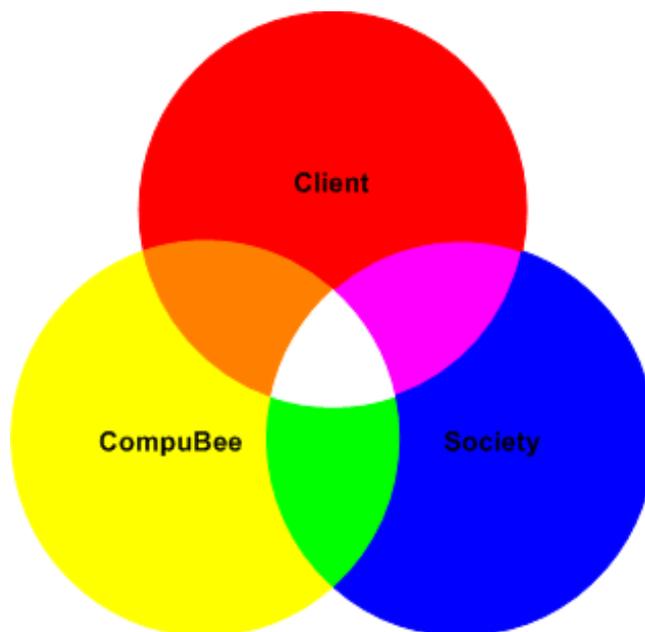
Our team of experts work closely with the clients' team to achieve the results as envisaged by the clients' top management and surpass the expectations set by the client's top management.

Critical Success Factors (Manufacturing):

Due to continuous pressure from competition as well as on profit margins, manufacturing organisations are taking multipronged strategy mainly in 5 different areas to reduce:
  ✓ Material Costs
  ✓ Working Capital
  ✓ Overhead Costs
  ✓ On-time Delivery Performance
  ✓ Quality Costs

To carry out these changes, manufacturing organizations generally use one of the methodologies such as TPM, TQM, 5S, Keizan, KanBan, etc. Industry experts are called in to implement one of these methodologies to improve upon one / many of the above objectives.

BPI – An Overview

CBT understands that the manufacturing organizations are undergoing a major change. During this change, they are facing challenges as stated above in the Critical Success Factors, which need to be addressed upfront. If the above issues are addressed on priority, it has a combined effect on the growth and sustainability of a manufacturing organization. In order to cater to these problems, many manufacturing organizations are taking

programmes to cut costs, improve quality, etc. Few of the visionary organisations are going beyond this piece-meal solution and are going the BPI way to solve these problems are making the manufacturing process efficient and outward looking.

BPI refers to a management system for optimization of plant manufacturing facilities through systematic improvement in different parameters of costs, delivery, quality, etc. This Management Process involves employees at all levels and aims at maximizing asset utilization. It also aims at minimizing losses in production cycle which are attributable to various inefficiencies in the operating cycle but nevertheless contribute substantially in creating a dent in the manufacturing contribution. Few of the goals of BPI are zero breakdowns, maximum productivity, zero defects and zero waste, etc.

BPI embraces various disciplines to create a manufacturing environment in which everyone is deeply involved in keeping the manufacturing plant running and productive. Under BPI the employees no longer limit themselves to just working in a silo and doing the work assigned to them but proactively participate in activities other their normal activities to give suggestions for improvements, carrying out process / product change to incorporate the suggestions. Through BPI we bring in a different culture in whole of the organization. We emphasis on improving equipment up time, process efficiency and simplifying processes. For this, we attempt to conduct an in-depth analysis of reasons, their causes, probable methods to resolve the issues. All these combined methods lead together to achieve the desired results as per expectations set in by clients. We also link this BPI exercise with IT software, so that the client gets maximum mileage of this exercise.

IT Enabled BPI

CBT understands that driving the BPI initiatives through manual system is very difficult task. So many companies are increasingly using computer based solutions to control the operating environment and elements that contribute to the major issues.

CBT has analysed the requirements of a BPI based management control system and has designed a solution around a best of breed Enterprise Resource Planning solution from Infor Inc. This software captures various costs which can be attributed different departments, employees, products, etc. It has state of the art planning engines to optimize the inventory costs and excellent engineering data management system to address issues related to engineering data management. Other features provided by the package include:

- ✓ Excellent Planning for RM and FG to minimize WIP.
- ✓ Monitoring of procurement, inventory activities, and costs
- ✓ Effective preventive and condition based maintenance programs

✓ Monitoring of Production Activities performed by Shop-Floor and Training skills possessed by operators, etc.
✓ Lot tracking of parts and products
✓ Engineering Data Management
✓ Effective Management of non-production purchases.

Implementation Methodology

CBT uses an in-house developed methodology called SIMPLE$^{®}$ to implement an IT enabled BPI initiatives.

SIMPLE$^{®}$ is a six step methodology aimed at incorporating the critical measurable metrics into the Enterprise Resource Planning solution and then developing an interface for capture of relevant parameters on an online basis and then monitoring the crucial indices which form the base of a productive environment. The six critical steps that form part of the methodology are:

Systems study

This phase includes conducting of system study to understand planning, production and material processes at the clients end. Also included in the activities are, evaluation of current six big loss areas, root cause analysis of failures and impact on manufacturing processes as well as identification of sources of data related to Raw Material Costs, equipment performance such as uptime, product quality, etc.

Impart training

Training is provided to various levels of employees to productively use the BPI solution. This aids in proactively performing routine activities as well as proactively taking part in solving business issues impacting the department / organization. The training also aims at building a knowledge base on planning, part failures and root cause analysis of failures as well as non-conformity of quality and other parameters.

Mapping

Mapping involves consolidation of above process control requirements to be incorporated into the I.T. based platform as well as the control requirement with the product features. Subsequently a gap analysis of features required in the software and a methodology for addressing of gaps is developed. Also incorporated are alarms, which are triggered off when certain values are less than expected.

Piloting

This phase includes :

✓ Incorporation of features identified by the gap analysis exercise into the ERP product including controls and alarms and drill down facilities for root cause analysis.
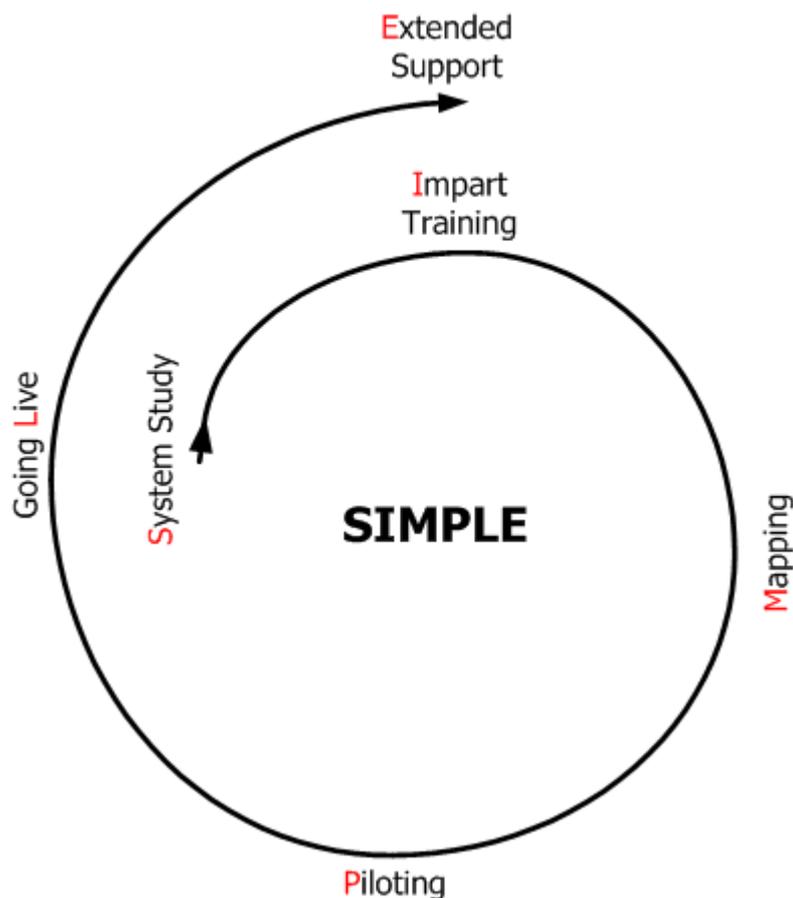
✓ Interfacing other I.T. applications for capture and control of BPI related data.

✓ Adaptation of the software to include features mentioned in the paragraph titled I.T. ENABLED BPI

✓ Definition and adaptation of workflow procedures related to Planning, Production, Maintenance, and Materials functions to suit the requirement of the BPI initiative.

✓ Selection of a pilot bottleneck area for piloting and implementing of the BPI based initiative and subsequent roll out of the implementation to other areas.

✓ Test runs on pilot area with test inputs after adaptation of ERP product to user environment and acceptance of improvements seen through test results.

Go Live

Tailored ERP product is now shifted to the live production environment and results are constantly monitored. Proactive decisions are taken based on the deviations between the standards and the actual.

Extended support

Sequel to the implementation of an I.T. ENABLED BPI CBT provides extended support and consulting services in the areas of;
- ✓ Initial hand holding
- ✓ Ongoing support for building of expertise in the areas of planning, production and materials
- ✓ Business work-flow oriented process improvements in the areas of planning, production and materials.
- ✓ Business process risks and control audits

Conclusion

Implementation of and ERP based BPI solution can result in several benefits such as:
- ✓ Increased Productivity
- ✓ Increased Production
- ✓ Increased Quality and Reduced Defects
- ✓ Enhanced Safety
- ✓ Reduced Inventory Costs
- ✓ Better Profit Margins

The above benefits go a long way in realization of the Strategic objectives of the company.

Consultant Profile

CBT has maintained high standards of delivery and consultancy on account of its highly experienced consulting team. The team has a right composition of skilled personnel from a cross-industry background. These consultants have rich industry experience and have held diverse positions in the industry.

Domain Expertise	Consulting Skills	Prior Experience
✓ Automotive	✓ Implementation Project Managers	✓ Production Engineers
✓ Engineering	✓ Change Specialists	✓ Design Engineers
✓ Paper	✓ Audit Specialists	✓ Other ERP
✓ Projects	✓ Business Analysts	✓ Maintenance Engineer
✓ Retail	✓ Techno-Marketing Specialists	✓ Planners
✓ Steel	✓ Trainers	✓ Consultants
	✓ Technology Experts	✓ Cost Accountants
	✓ Developers	

CompuBee Profile

CompuBee Technologies Private Limited (CTPL) is a young and fast-growing global provider of software consultancy, design and development Services Company, headquartered in Thane, a vibrant suburb of Mumbai, India. It is started by industry experts who have expertise in different industry verticals and international markets. All these experts have come together to utilize the expertise gained for the benefit of the society. To cater to global customers, CTPL works closely with Business Associates in Americas, Continental Europe, Middle-East and Asia.

CTPL has flexible and responsive approach which is coupled with robust processes. This ensures cost-effective project execution to international quality standards with rigorous attention to on-time completion.

CTPL partners with enterprises to provide end-to-end information solutions across a range of leading edge and legacy technologies. Supported by proven methodologies and expertise in focus verticals, our services help CIOs adopt suitable technology architectures, prioritise new solutions, streamline operations and expedite solution development, keeping in mind existing and emerging industry standards.

CompuBee's Social Responsibility

As part of corporate social responsibility, CompuBee donates some part of the profit to NGO working in social sector such as aiding cancer patients, aiding tribals in remote areas, working with chronically deceased persons, etc.

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