

CASE STUDY SNAPSHOT

CHALLENGES AND OPPORTUNITIES

- Lack of connectivity among different locations leading to poor information sharing
- Lack of integrated systems leading to information silos
 - Complex and intricate manufacturing processes
- No means to manage internal and external suppliers
- No procurement planning and vendor management processes in place

OBJECTIVES

- Provide actionable real time analytics to monitor employee performance and assignments
- Business/Sales/Production Forecasting
- Online financials with special controls over customer for advances
- Have a complete Production Planning and Execution solution that supports dual manufacturing strategies—Made-to-Stock manufacturing strategies
- To improvise on the process efficiency resulting in cost optimization and higher productivity

IMPLEMENTATION HIGHLIGHTS

- Quick implementation time of 1.5 months
- Comprehensive, integrated online system
 - Attributes that cover all operations at all locations
 - No IT infrastructure expenditure
- Easy scalability—users can be added and incorporated in the business process based on increased project activity within a day's notice
- Disaster recovery and maintenance, which is part of every Ramco OnDemand ERP model
 - Integrated support, product updates, and upgrades
 - Better cost control
- Online financial statements and cash flow projections

EXISTING ENVIRONMENT

In-house ERP system

BENEFITS

- Standardization of product and customer master data scheme, leading to a higher level of customer service
- Efficient tracking of day-to-day billing (invoices), receivables and sales
 - Effective monitoring of product lines and manufacturing processes
 - Improved decision-making
- Documentation errors reduced considerably
 - Excise gate pass tracking
- Better inventory management, leading to lower working capital requirements

WHY RODE?

- Pay-per-use feature
- Downgrade or upgrade as per requirements
- Quick implementation time
- Open to customization
 - Affordability

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RODE gives HD Fire Protect better control over assets

Company Name: HD Fire Protect

Headquarters: Maharashtra

Industry: Fire Protection Equipment

Products and Services: Water and foam-based fire protection equipment

Website: <http://hdfire.com/index.php>

DEFERRED

ABOUT HD FIRE PROTECT

A fire fighter's formula for success in the global market

It is interesting to note how Maharashtra-based HD Fire Protect Pvt. Ltd. succeeded in creating an impact in the global market on the strength of its farsighted strategies. These focused on product quality and the timely adoption of relevant technology tools. Besides, the firm had also learnt some hard lessons from two earlier ERP implementation debacles.

"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives." — William A. Foster

When HD Fire Protect Pvt. Ltd., a company that manufactures water and foam-based fire protection equipment, decided to tap the international market, it knew the importance of measuring up to global benchmarks of quality and the required specifications. Since it manufactures critical industrial products, which are used by customers mainly from petrochemical, oil & gas and power sector, the stakes have always been very high. Going global with such a product line meant obtaining quality approvals from national and international standards certification agencies, like the internationally recognized UL, FM Global and Indian Bureau of Standards.

For Mr. Harish Dharamshi (a mechanical engineer and the managing director of the company), who set up the company in 1990, fire protection has been more of a passion than a business. Since the products serve the mission critical needs of its customers, the company has always emphasized the need to research, innovate and manufacture products that deliver high value and comply with all the required quality norms, applicable in the domestic markets, and globally. "It is to conform to these working principles that the company has looked at innovative ways of adopting technology and has invested in procuring quality approvals from various national and international agencies. This is a time-consuming process that involves conducting various performance tests on the products and requires a large investment. But this investment has paid off. It is on the strength of our products that we have been able to make an international statement, apart from establishing a stronghold in the domestic market," says Mr. Miheer Ghotikar, Executive Director, HD Fire Protect, with a sense of pride. In the last two decades, from a single unit at Thane, Maharashtra,

HD Fire Protect's facilities and operations have spread to seven locations comprising four offices, two factories and a warehouse.

Strategies and tools that paved the way to success

With its turnover now reaching the over Rs. 45 crore mark, the company has been experiencing a year-on-year growth of 15 percent for the last couple of years. Its growth story is an interesting account of a number of successful business strategies, its consistent adoption of the latest technology tools, and what it learnt from some of its own technology implementation debacles, says Mr. Miheer. Talking about a crucial milestone, Mr. Miheer says: "The turning point in the growth cycle of the company came about in 2004 when we started participating in international exhibitions and conferences, the first of which was as an exhibitor in a fair in Germany. This helped the company build brand recognition and product popularity, which in turn helped it gain exposure in the global markets and bag export orders." Currently, the company supplies products to 50 countries and competes with international brands manufactured in the US, Europe, China and other countries. HD Fire Protect has a team of professionals focused on innovating and refining its processes in order to design and manufacture the best products in the industry.

"It is only by adopting the latest technology trends and by keeping up with global standards that we have been able to sustain, grow and stay ahead of the curve," affirms Mr. Miheer.

The technology tools in play

Technology has helped the company a great deal in saving the time taken to complete different processes and also in enhancing the efficacy of various management functions. The company is using a plethora of IT hardware and software tools apart from state-of-the-art machinery in manufacturing.

"On the manufacturing side, HD Fire Protect's production facilities are a unique combination of an on-site induction-based foundry, CNC&VMC machine shop, advanced fabrication techniques, modern paint shop and exhaustive test facilities, all backed by a dedicated and experienced team of design and development engineers," says Mr. Miheer. The company's in-house R&D team has developed software to calculate performance testing parameters of its products. Apart from this, the company uses 3D modeling simulation software to test the performance of its products. The company is ISO 9001:2008 certified.

Biometric finger print scanning systems have been installed at the offices and factories to control access to the facilities. "We have also installed high resolution IP-based, motion sensitive CCTV cameras to ensure the security of the overall premises. With this network of cameras, we are able to monitor the factory from our corporate office in Thane. We have been using this security set-up for the last five years," says Mr. Miheer.

The company's website is also being leveraged as an effective medium to gather intelligence on customer preferences and potential markets. "We make extensive use of Google analytics to gather vital information regarding the people visiting our website. We use this tool to analyze which pages of the website are more popular, which products are more popular, which catalogs are being downloaded, and from which regions the website receives the maximum hits or visitors. We analyze and focus on this intelligence and evolve strategies in line with what the trends indicate," Mr. Miheer adds.

THE BUSINESS CHALLENGE

Trial and error with the ERP stack

The other key aspect of HD Fire Protect's technology infrastructure is the ERP solution that it uses to integrate its management and transaction processes. But this journey to arrive at the perfect ERP solution proved to be a bit too long and complex for the company. Its experience represents a case study for those companies that are either planning to implement an ERP solution or exploring ways to leverage it to the fullest.

Currently, the company uses the Ramco onDemand ERP (RODE) solution w.e.f. April 1, 2010. But this is the firm's third attempt at implementing an ERP solution. The first two solutions that it implemented failed to meet its expectations. The first was an off-the-shelf solution. The issues cropped up as the vendor changed its consultants very often. This led to implementation inconsistencies and eventual dissatisfaction at the users' end. "The experience made HD Fire Protect conclude that ready-made packages were probably not suitable for its requirements. But when the management migrated to a customized solution, that too turned out to be a fiasco," says Mr. Miheer.

"The second solution was an on-premise system and was installed on two servers at two different locations. As a result, data management and its consolidation became

a complex process. Besides, the system was based on old technology and not all the functions required were covered by it. For instance, the system did not have the provision to convert dollars and pounds into Indian currency and hence the export function could not be covered. As a consequence, only a partial automation of management processes and operations could be effected," he adds.

The search for the 'perfect' ERP system

Considering the growth in volumes, the rapid additions to the product portfolio and the expansion of the business, especially in the overseas markets, HD Fire Protect began to search for yet another solution. Unlike the previous two ERP implementations, the firm needed a solution that could on the one hand, help it automate and integrate all its processes, and on the other, assist the management to view the different departments' operations in a transparent manner, in real time.

Since the company's management had burnt its fingers twice in its attempts to implement an ERP system, this time the team wanted to be absolutely sure of the product and the implementation partner.

The firm decided to opt for a popular solution which was time tested and used by many businesses. "We evaluated many solutions like SAP B1, Microsoft Dynamics and also Ramco On-demand ERP (RODE). The key reason why we eventually opted for Ramco's solution was because its implementation team was from within the company. We also visited two of its clients and only after getting detailed feedback from them on their pre- and post-implementation experience with the vendor and the product did we decide to opt for Ramco's web-based on-demand ERP solution," says Mr. Miheer.

The modules covering functions such as sales and marketing, purchase, production, HR, warehouse, inventory, and so on have been deployed. The company achieved operational automation in an implementation time of around four months.

Best practices that were followed

To ensure that this time the implementation succeeded in achieving the preset goals, the company decided to be methodical and discussed the requirements at length with the Ramco Systems team. Mr. Miheer narrates the process that was followed: "We conducted detailed discussions with the Ramco team, which then laid down a few requirements from its side and a Business Mapping Report. They later asked us to prepare our data in a

specific format. Simultaneously, a user engagement program was undertaken by the Ramco team wherein they trained our employees thoroughly on how to effectively use the ERP system."

"A detailed and in-depth business study was undertaken by the Ramco team so that there were fewer instances of sudden unplanned requirements during the course of implementation. We showcased a detailed demo for about four hours, simulating the company's data. We also took the management team for a couple of site visits, which also helped them make an informed decision," says Mr. Parag Nagwekar, manager, Projects, Ramco Systems.

At first the system was hosted on the Ramco servers and HD Fire Protect staff practised on the system for two months so that the remaining kinks could be ironed out. "When the users became comfortable with the new ERP system, we requested the Ramco team to move the solution to our servers. We went live on April 1, 2011," says Mr. Miheer.

THE RODE SOLUTION

The ROI

While the company plans to evaluate the monetary ROI on the ERP system after the 2011 financial year closing, Mr. Miheer observes that the intangible benefits accrued have been satisfying. "Things are moving faster and have got streamlined. The order processing time has been significantly reduced. Processes have got more standardized; and errors have come down. The dependence on people has reduced a great deal. If you feed the correct data into the system, it will make the decision for you, resulting in a lot of time saving and informed decision-making."

"The solution is helping the company in real time inventory tracking, accurate production planning and procurement, integration of data across all locations (Jalgaon, Mumbai and Bhiwandi), accurate supplier ratings, on time delivery of goods to customers, proper customer management, *et al.*," says Mr. Parag.

Mr. Miheer confirms this view, saying, "The standard system is serving at least 90 percent of our needs. The system is closest to what we required. We had to ask for only a few minor tweaks in the system with regard to certain reports that we required."

"Although the investment that we made on all the three ERP systems has been largely the same, the time

invested in implementing the Ramco solution has been far shorter in comparison," says Mr. Miheer. "Today the company has availed of 33 user licenses. Earlier, only 15 to 20 users were working on the ERP system. So, if I compare the cost per user, it may be the same but the time saved in carrying out the processes is far less, compared to the previous system," he adds.

To other businesses that are aiming to implement an ERP solution, Mr. Miheer advises: "It is best to go for a time tested solution. It is also important to gather feedback on the efficacy of the solution from some of the existing users of that product."

Going forward

HD Fire Protect is a good example of a company that likes to experiment with its strategies and tools, keeping its overall corporate goals in view. Going forward, it plans to continue with this trend. On the technology front, the company is planning to deploy machines equipped with advanced welding technologies and a drawing management system to manage its engineering drawings. "Currently, we are evaluating a few companies that are into CAD solutions. We have a wide range of products and designing them is a complex process. We need a strong system to maintain our designs and improvise on these drawings. This task can be effectively taken care of by a drawing management system," says Mr. Miheer. The company is already in process of setting up a new manufacturing facility and has started new division to venture into specialized fire fighting turnkey projects.

Apart from this, the company is going in for new quality approvals. The process to get an approval from the American Society of Mechanical Engineers is underway. "If this happens, we will be the first company in Asia to have obtained this approval for fire fighting products," says Mr. Miheer. The company has set a growth target of over 30 percent for the next year, during which it will primarily focus on international sales and appointing channel partners worldwide.

The company believes in the adage, "Success is a journey and not a destination." Hence, in the future too it plans to continually work towards establishing new performance milestones. We wish the team all the best in this endeavor.

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