

CASE STUDY

ERP IMPLEMENTATION AT LEONID CHEMICALS PVT LTD

Inode team

Company Profile

Leonid Chemicals Pvt Ltd. (LCPL) is a Bangalore based company having factory at Dobaspet and office at Yeshwanthpur. They are the manufacturer and dealer of Chemicals for Pharmaceutical, Chemical and Biotechnology sectors.

- Approx Revenue 2009-2010: `2.5 Cr
- LCPL was using a invoicing software to generate the invoices till April 2009
- Till 2008 Dec, LCPL was only into limited production (repacking) activity
- LCPL installed a new In-House Distiller Plant for Chemical Production & Purification activity in 2009

Business Situation

LCPL expanded its Business Propositions in 2009 by installing a new Chemical Purification Plant. The existing software which they were using was only helping them in generating/printing invoices and taxation requirements. They were not able to handle inventory, production, bar-coding, and batch number generation activities through this software. Hence LCPL wanted to go for a new solution which can cater to their changed business scenario.

Technical Situation

LCPL was using normal a Desktop machine as server, which was used to host the invoicing software. There was only one user to do all the data entry work. The software was not helping them in generating inventory reports / barcode / pending orders etc.

Solution

We, Inode Technologies, offered to implement a complete ERP Solution which caters to all their operational and management needs. We implemented **our ERP** Solution “USquare”, USquare is an industry standard robust Mini ERP system which is very flexible and can be customized according to the customers’ business requirement. USquare uses Microsoft SQL Server as the backend database to store the business information. Since all the customizations are done upon the base USquare module, the whole system is very stable and reliable.

Project Goals

- To successfully implement USquare ERP solution to cater all the business requirements
- Take care of complete inventory, purchase & sales process management
- To implement a bar-coding system of incoming and outgoing Materials
- To generate accurate and informative reports for different levels of users
- To cater to all the statutory requirements as per the federal rules
- To make the solution one point stop for all the business related information

Pre- Implementation

As we were the supplier & support provider for the existing invoicing software, we had a good knowledge on their business processes. Based on this information we did a brief system study at their Yeshwantpur office to understand and analyse their current requirements and the problems/issues they are currently facing.

After the system study we organized the business requirements into individual business modules and prepared a system study report which had all the business process requirements proposed by LCPL. The entire solution was divided into following modules to make it simple to understand, implement and operate.

- Masters
- Inventory
- Purchase
- Sales
- Production
- Barcode Module

We started the implementation work on 01/01/2009. We formed a two member team to handle & implement the entire solution in a matter of 3 months.

Implementation

We started with creating master database which contained the primary elements of the ERP system like items, Suppliers & Customers. In case of items, they were selling same in different grades & pack sizes and also maintaining the stock individually based on grade & pack sizes. So we decided to create the item names in the same way

Eg.

Acetone AR 250 gr

Acetone LR 30 Kg

Benzoic Acid 180 Kg

Supplier & Customers data had some of the analytical data like Industry Vertical, State etc. Once master database modules are implemented all the data entered, we continued to implement the transaction level modules like purchase, inventory and sales.

Purchase & Quality

We started with purchase Process which consisted operations like Purchase Order generation, Goods Receipt, Purchase booking.

PO → GRN → Purchase

In PO transaction, customer wanted multiple document printing opting options based on the type of the PO. Goods Receipt transaction was given to enter the received items details. Then Accounts Dept., would book the Purchase Entry against the GRN. Once the purchase booking is done, materials would be added to stores stock.

Inventory & Production

Inventory & Production module consisted of following major transactions

Issue to Packing ->Output from Packing

Issue to Production ->Output from Production

Since LCPL does the production/repacking activity based on the Customer order, they don't prepare any work orders. They directly issue the material on a need basis to Production / Packing division.

During the material issue to Packing Division, the Stores Manager also enters the details of the output Pack size and Quantity. Based on this document, packing division will start their process.

Every output from Packing Division is linked to its corresponding issue transaction. Based on this linking, USquare calculates the cost of the output material. Management uses

this report to arrive at the selling price of the finished goods and analyse the profitability. Based on all the issues and receipts, module gives accurate real time inventory reports to all the related departments. So any authorized user can analyze the stock status at any point of time. This module also gives the consolidated stock of every product group.

Sales

This module handles the sales process. This module provided following major transactions

Sales Order → Sales Invoice

Sales Order → Packing List → Sales Invoice

Sales Order transaction is used to enter the Customer Order details like Order date, Customer Name, Order No, Items Ordered, Quantity, and required Date etc.

Sales Invoice transaction is used to generate the sales invoice. Sales Order pickup option was given to avoid the duplicate data entry. There is also an optional Packing List transaction which can be used to create packing list document.

This module provided variety of reports for different business requirement like Sales Ledger, Sales Analysis Report, Pending Order Report, Zone Wise/Customer Wise Sales Reports and Costing Reports etc. All the Indian Statutory and taxation requirements are incorporated in the Module.

Barcode Module

As LCPL wanted to incorporate the barcode functionality to all the incoming and outgoing materials, we developed this module as per their requirements. This module is used to generate unique barcodes in all the material receipt transactions (Purchase / Receipt from Packing / Receipt from Production / Sales Return etc.). Once the barcode is generated, user can print the Barcode labels in different label formats as per the requirement. These labels would be then stuck on the material container.

In all the issue transactions (Issue to Packing, Issue to Production, Sales etc.) user can scan these barcode labels to get the details of the item like item name, batch no, expiry date etc. This will avoid manual data entry by the users and possible data entry errors. User can also enquire about the details of Production / Purchase processes by scanning the barcode.

Benefits

- Complete automation of entire Business Process
- User Friendly
- Well defined master data structure
- Well defined business process flow
- Avoid data duplication entry
- Control over inventory
- Well organized and informative reporting module
- Interactive zoom- in reports
- Bar-coding functionality
- Increased user efficiency
- Increased solution reliability

Products and Services Used

We have used the following supporting software and services to implement the solution.

Product	: USquare
Server	: Windows 2008Standard
Database	: Microsoft SQL Server 2008
Reporting Tool	: Crystal Reports 10
Technology	: Visual Fox Pro 9.0 &Net 2.0

All the client machines we configured with windows XP Professional SP2

Near Term Results

- Currently all the operational level employees (approx5 users) are using Usquare for their daily transactions except Finance Operations.
- The solution has considerably increased the overall operation performance of the company
- The solution has helped LCPL to control the inventory through bar-coding
- The solution has provided he users a very transparent lookout to the entire operation flow in the company and take decisions based on the real time data available

Future Plans

- Integrate USquare with a Business Intelligence solution to make better use of the vast data available in the system.

ABOUT INODE TECHNOLOGIES

Inode technologies is the leading information technology consulting, business intelligence consultancy, data warehousing services, packaged application services, systems integration services and Indian taxation consultancy services organization that envisioned and pioneered the adoption of the flexible global business practices that today enable companies to operate more efficiently and produce more value delivering technology-driven business solutions that meet the strategic objectives of our clients. We provide end-to-end business solutions that leverage technology. We provide solutions for it, engineering and industrial sectors where business and technology strategies converge. our approach focuses on new ways of business combining it innovation and adoption while also leveraging an organization's current it assets. we work with large corporations and new generation technology companies - to build new products or services and to implement prudent business and technology strategies in today's dynamic digital environment.

Services

Inode technologies deliver Enterprise Business solution for SMB

- AMC and call management solution
- Indian taxation product implementation
- Counterfeit drug / product detection
- Business intelligence consulting
- Data warehousing services
- Application development and maintenance
- ERP integration

Clients First

Inode technologies places a high priority on client satisfaction and meeting client requirements, and pays particular attention to the its ability to provide cost effective and professional solutions, deliver efficient services, and utilise streamlined processes for managing its outsource clients.

Our people

Inode technologies technical staff is highly qualified with an average of 10 years relevant experience. This enables Inode Technologies to retain its critical skills and institutional memory for continuous support and understanding of its clients. Inode technologies been nominated for **LEADERS OF TOMORROW** award by Times now

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