



SAP B1 Implementation at Lubricant Manufacturing Company



SAP B1 Implementation – Lubricant manufacturing company

The Summary

The client is a major player in lubricant manufacturing in India. They had experienced a failed implementation of SAP B1 by some SAP partner. The client wanted to re-implement SAP B1 to streamline their business. The client approached AG Technologies for the reimplementation. AG Technologies with expertise re-implemented SAP B1 at two offices and 22 depots across India.

The Client

Established in the year 1972, the client is major player in manufacturing of lubricants in India. Initially, the client had only one product as Monolithic grease, today the client has a growing product mix of approx. 150 products having multifold market presence.

Initially the client had its marketing operation in a couple of markets in the domestic scenario through a small dealer network. The same small platform has magnified today as a dealer/distributor network of approx. 2500 which is being effectively catered by a marketing team of more than 50 dedicated marketing executives, which accounts for existence of one representative for every 20 distributors ensuring better & efficient services.

The Business Requirement

Client had faced a failed implementation of SAP B1 due to which they were compelled to use their legacy system TCS EX for their accounting and financials. Meanwhile they were looking for an efficient and proven partner for reimplementation of SAP B1.

The client has always believed in investing in the best and latest technologies to improve the efficiency and profitability of its enterprise and with this objective in mind has embarked on an exercise to re-implement SAP B1 in organization

Project Summary

Industry: Manufacturing

Client Profile:

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Business Requirement:

Client had faced a failed implementation of SAP B1 due to which they were compelled to use their legacy system TCS EX for their accounting and financials

Solution:

SAP B1 for its ease of use and the functionalities. Following modules were configured - Sales, Purchase, Inventory, Financials, Manufacturing.

Solution Benefits

- Better efficiency and streamlined business processes
- Better insights of business with various reports
- Various levels of authorization providing better control over business.



AG Technologies

The Solution

The company turned to AG Technologies for the reimplementation of SAP B1 for its ease of use and the functionalities as per their requirements. Following modules were configured - Sales, Purchase, Inventory, Financials, Manufacturing.

Following are the few distinct features provided by AG Technologies during the course of implementation:

- **Indenting From Depots** - This was addressed by using depot-wise Sales Order documents. HO to update the depot sales order for quantities and intimate to plant to initiate transfer. Plant to transfer material to depot against the depot sales order and intimate HO after transfer is being done. Based on the plant intimation HO to close the depot sales order document manually after inventory transfer takes place.
- **Scheme Coupons** - Coupons were issued to the customer along-with the sales invoice. Every value coupon has certain denomination value such as 5, 10, 15, 20, 30, 40, 50, 100, 300 and 500 in Indian Rupees. These coupons can be redeemed by the customer later on whenever he wants within a pre-defined validity period. Client raises a Value Credit Note for that customer equal to the total value of all the coupons sent for redemption by the customer. Tracking of total coupon redemption value should not exceed the total coupon issue value was provided using User defined Field (UDF) in the Item Master. Finally, a Query Report is required to give Total Coupon Value Issued and Total Coupon Value Claimed.
- **C & F Claims** - The depot locations and material within are being owned by the client and are operated by the C & F agents. Claim invoices for the operational expenses are being sent on monthly basis by C & F / Depots. Based on the invoices submitted by depots, payments are made to them with required deductions if any.
- **Approval of Sales Order** - Approval or confirmation for all type of Sales Orders is required to be there in the system. All the Sales Orders (From Plant or Depot) will be verified at HO and only after approval of HO users any further activities based on that SO should take place such as delivery, invoice or SO etc. Authorization for Order confirmation will be done using User Access Control add-on.



- **Duplicate Lorry receipt (L.R). Alert** - L.R. copy or L. R. No. to make mandatory for the Transporter Vendors while sending Transporter Invoice. Provision required in SAP B1 to enter the L. R. given by the transporter in its Invoice and alert should be given in case earlier sent L.R. No. is sent again by the same transporter.
- **Sub-Contracting** – Complete Sub-Contracting business process was configured using warehouses and G/L Determination accordingly. Basic customization required for capturing statutory data like Form Nos. etc. was done using UDF.
- **Legal Entities** – The two office locations were treated as 2 different segments within single legal entity and not 2 different databases. User Access Controls was developed for controlling and filtering master and transaction data between both segments.
- **Chart of Accounts** - For addressing Plant-wise profitability Account Segmentation Functionality was used. Account Code Generator was used for creating the required COA as well as any new GL Account required to be created in future also. Wherein, user will specify the GL Account Code, Name and other properties for the GL, then select the number of plants that are applicable for the GL Account. Based on which system will automatically create that particular GL Account in all segments.
- **Captive Production** - There are few Items such as LITHONEX etc. which are being produced alternatively using WIP item of another FG item and few additional RM as a shortcut than producing from its regular BOM. Such types of productions are referred as Captive Consumption as the produced WIP is used for self consumption or production of another FG again. All such type of Special Production Orders (where BOM is available in SAP but not followed) will be referred as Captive Production.
- **User Access Control** – Detailed Location-wise User Access Control was implemented using a combination of SAP B1 Authorization, Team IDs, Document Ownership, User Access Control Add-On and Formatted Searches.



- **Excise Invoice PLD** – Print Layout Design for Excise Invoice (Stock Transfer to Depots and End-Customer) was matched to the existing Legacy Excise Invoice, which addresses back-calculation of Price and showing the cost to customer inclusive of excise duties.

- **Query based reports:**
 - Road Permit No. issued
 - L. R. Used and not Invoiced
 - L. R. Invoiced by Transporter but not Used
 - A/P Invoices with Entry Tax Applicable
 - Coupon Issued v/s Coupons Claimed
 - L. R. Payment Status

Technology and Tools:

SAP Solution: SAP Business One

Hardware: 2 x Intel Xeon 3.2

Operating System: Windows XP

Database: MS SQL Server 2005

No of SAP User Licenses: 25 Users

The Solution Benefit

- The solution provided efficiency and streamlined the business processes thus reducing the manual paperwork.
- SAP B1 automated the process of tracking the scheme coupons resulting into proper redemption and better management of coupons.
- User access control add-on provided control over the access of information to authorized users only.
- Various approvals were set to make the sales process more transparent with ownership.
- Various alerts were configured like duplicate LR in order to avoid any duplication of the entries.



AG Technologies

- Process of captive production was captured in SAP to avoid any discrepancy in the BOM.
- Query based reports were provided for getting better insights of the business.