



SAP Business One Solution for Water Treatment Company



SAP Business One Implementation

The Summary

Client wanted suitable ERP system to automate its business processes and ensure data integrity since the company was struggling to cope with legacy system. The company turned to AG technologies to implement SAP Business One which enabled real time data availability, accuracy, provided integrated view of the business operations. Being a project based company, project based reporting is very important, which was very difficult to achieve in the legacy system.

The Client

The client is a leading global supplier of industrial water and wastewater treatment systems and services. They are into EPC (Engineering Procurement & Construction) in Water treatment projects. They are into local as well as overseas market; however the overseas sales are higher. Major customers are power plants, refineries & infrastructure companies. Project cycle time is about a year.

The Business Requirement

As a project based company, client was in a position to evaluate their requirements and decide upon a suitable ERP system without needing to make adjustment for any legacy systems.

The company's main challenge was to find a software package that could accommodate both immediate operational needs and yet scalable to support future growth and expansion into the region and integrate and connect all the branch activities into one single and integrated system. They felt that with some customizations in base product, SAP B1 will be able to address all their business requirements & comprehensive reports could be generated.

Project Summary

Industry: Water Treatment

Client Profile: Turnkey Projects for Water Treatment Systems

Business Requirement:

Budget tracking for purchases against the projects
Consolidated status of the project

Solution Benefit:

- More efficient processes in Budget tracking against projects
- Streamlined Purchase management
- Increased Operational performance
- Transparency & Controls over the business processes.
- Easy use functionality with SAP Business One



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Following were the key challenges faced by the company:

- Being a project based company budget tracking was very critical business requirement of the company. They wanted a system which could keep track of the budget & alert the users in case of budget overshoot. They wanted to ensure that the budget was within control.
- Client used Tally for the Accounting Transactions. Maintaining project based data in tally was very difficult & project based status report was not available.
- The Engineering data like the bill of material gets revised through out the life cycle of the project. Different departments like valves, mechanical & electrical were updating their respective bill of materials, which was not getting reflected to all. In the absence of centralized system, consolidation of BOM was very difficult, which in turn was not getting communicated to purchase department.
- QC department was functioning independently.
- Project based reports were not available to indicate the status of project.

Company's management quickly realized that it needed to evaluate and implement a suitable ERP system to automate its business processes and ensure data integrity.

Following were the main requirements of the client:

- Being a company that focuses on turnkey projects, client sought a system that could manage complex BOM effectively (approx 5000 raw materials) & which could be amended during the life cycle of project. Uploading the raw materials in existing BOM through excel was required.
- Based on the budgets given against the projects, approvals should be triggered when the purchase value exceeds the budgeted.
- Budget tracking for purchases was required. Comparison of actual versus budgeted was required.
- They wanted an integrated system that would integrate the various functions like Projects, Engineering, Quality, Purchase and Commercial departments.
- After every GRN, they wanted the report to be sent to the quality department. Based on the feedback of quality department, the GRN will be accepted or rejected.
- They have a process where the same item can undergo multiple processes. They didn't want to create multiple item codes for the different processes.



The Solution

Company's management decided to undertake a strategic investment in a solution that met such requirements and yet scalable to keep pace with growth. The available range of ERP solutions were duly and thoroughly evaluated based on value, flexibility, and scalability.

AG Technologies assisted client to choose SAP Business One as it offered the most comprehensive support for company's requirements. Not only would data quality was assured, but also provided capability to develop new functionality and enhancements in response to changing business needs.

Following are the key SAP Business One Implementation Highlights:

After the implementation of SAP B1, company is able to generate complex MIS reports like Purchase Register, Sales Register, Z Material- Report & Comparison of actual versus budgeted purchases at the click of a button.

Company expects to enhance its employee productivity by about 25% in the next 1-2 years time.

Company is able to set business rules where in every overshoot of budgets is indicated immediately to the management & help them take corrective measures.

Effective control over the budget form, so that a normal user cannot modify the budget after it is finalized.

At every stage, the consumed budgeted value for every budget group is known.

BOM data can be uploaded from the utility provided & the updates can be done simultaneously by various departments, which was a very critical business requirement.

There is a control in BOM, which ensures that the items can be purchased only after it has been approved by the projects team.

Alerts sent to the QC department, on receipt of every material which requires QC.

QC department can now generate documents like QCR (Quality control report), NCR(Non-Conformance report & SDN(Site Defect Notification).

The items marked as dispatched in BOM will only be displayed in Delivery order for a project.

All the data flows to finance department, which in turn can do transaction & generate financial reports.

The status of the project can be known using the customized Z-Material report, which gives the status of every material used in the project.

Technology Deployment

- **SAP Solution:** SAP Business One
- **Hardware:** 2 x Intel Xeon 3.2
- **Software:** .Net Framework 2
- **Operating System:** Windows 2003
- **Database:** SQL 2005
- **No of SAP User Licenses:** 21 Users
- **Location:** Pune



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The Solution Benefit

The implementation has been an enormous success and client continues to be very satisfied with SAP Business One. Following were the significant business benefits gained from SAP Business One:

- Reduced the duplication of the data, resulting into greater staff efficiency and saved time.
- Project Budgeting & better control over direct & indirect expenses.
- BOM & Budget upload through excel upload utility results in a lot of time saving, which effectively results in better productivity.
- There is a direct involvement of Quality department in the mainstream application, which was missing in legacy system.
- Online Availability of the accounting and other business information
- Company quickly began transmitting accounting data from the Tally system to the new solution, creating new data entry efficiencies, streamlining business processes, and providing management with real-time visibility into financial data. Clear display of complex accounting procedures
- Availability of budget utilization versus actual purchase at a glance.
- Real-time access to Project Status & project based reports available.
- Single integrated system improves efficiency and productivity of staff
- Availability of key information thus enabling quick and informed decisions by Management
- Improved transparency across different departments
- The company achieved the shortest implementation time and gained quick return on investment (about 16 Weeks with customization).