SAP R/3, ECC6.0 SAP END TO END IMPLEMENTATION FOR STEEL MANUFACTURING COMPANY

Introduction

Client is promoted by experienced technocrats has set up a mini steel plant with a capacity of 54,000 tons per annum. The unit is located near village Gunauv in Abdasa taluka of Kachchh district. The rolling mill is producing high quantity value added TMT bars. The plant gets continuous power from its parent company where it has its captive power plant. The power availability is uninterrupted. There is an increasing demand of steel in Gujarat due to demand for construction projects. There is a (Master Data, Business Process) potential for increasing consumption of steel in rural area of Gujarat for the purposes like housing Infrastructure etc. is very high. To cater this demand, the plant is supplying high valued TMT bars in entire Gujarat and has its marketing network in the state of Gujarat and nearby state like Rajasthan.

Business Scenario

Before the SAP Implementation of ECC 6.0 EhP 6.0, Client was managing their operations, accounting etc through a legacy system. Client being a unit company of its parent company which has SAP ECC6.0 decided to do a SAP implementation for this company.

Business Challenges

As a growing organization & to bring business efficiency, Client intended to go for fresh implementation of SAP R/3, ECC6.0 using the existing system of parent company.

The Solutioning followed ASAP Methodology (Accelerated SAP):

1. **Project Preparation:** Project team mobilization, Project Planning & Project standards setup.

2. **Business Blueprint:** Understanding of As-is-process and framing of To-be-process in the system.

3. **Realization:** Define of Business scenarios as per BBP and configuration of same. Unit testing, System Integration Testing and User Acceptance Testing for integration.

4. **Final preparation:.** System ready for go live: migration of the solution to the Production environment, cutover data upload.

5. **GO-Live & Support:** Initial data upload and making system live for users. Ensuring system performance through SAP monitoring and feedback.

Technology: SAP - SAP R/3 Enterprise 6.0 EhP 6.0, **OS –** HP Unix 11i V3, **DB-** Oracle 11G DB

Broad Scope of Work: Configuration settings for one Company code and 1 Plants, Configuration of Client business processes on parent company production server in-line with parent company practices.

Project Summary

Industry

Steel Manufacturing

Client Profile

Client which has set up the world's largest, lignite based Cement Plant of 2.6 MTPA in Gujarat. The Cement plant is fully automated with state-of-the-art technology from Fuller International, USA. The company has developed world-class infrastructure facilities for captive use at the Cement Plant, viz., Captive Power Plant 55 MW, Captive-Jetty,
large Captive Desalination Plant & Road Network.
Client also has TMT production plant with state of art facility.

Solution

Client was using legacy system. They approached AG Technologies for SAP End to End Implementation of ECC6.0 along with integration of their existing SAP system used in parent company.

Solution Benefit

- ECC 6.0 platform and Oracle 11G DB.
- SAP system in line with exiting processes.
- Batch wise Costing.

Business Processes configured for client:

1. **Production Planning -** Master Data, Planned order, Production Execution (Scheduling of Order, availability Check, Order releasing, Goods Movement, Confirmations with product, Order Settlement, Batch Management)

2. **Accounting -** General Ledger, Accounts Receivable, Accounts Payable, Asset Accounting, Bank Accounting, Period End Closing Financial Accounting

3. **Controlling -** General Controlling, Cost Element Accounting, Cost Centre Accounting, Primary Cost Planning, Activity Rate Planning

4. **Material Management -** Master Data, Purchasing, Stores Management and Physical Inventory, Material Movement

5. **Sales & Distribution -** Master Data, Order Processing, Credit Management, Billing

6. **Indian Localization -** India Localization would be addressed through standard CIN (Country India Version) configuration. The taxes configured are as under

   - Excise Duty
   - Customs Duty
   - Countervailing Duty (CVD)
   - Central Sales Tax (CST)
   - Value Added Tax (VAT)
   - Service Tax

Withholding Tax (also known as Tax Deducted at Source) for non-personal Income Tax on the following business processes

   - Advance Payment
   - Invoice Payment
   - Monthly Payment
   - Issue of TDS Certificate

Standard Excise Registers available in SAP as mentioned below

   - RG 23 A Part I
   - RG 23 A Part II
   - RG 23 C Part I
   - RG 23 C Part II
   - RG 1 for Finished Goods
   - CENVAT Register

Benefit

   - Online and integrated system provides faster invoicing cycle time.
   - Better receivable analysis.
   - Integration with purchasing provides on-line verification and reduced entry.
   - Improved visibility of Inventory & usage of ingots, steel scrap, spares and consumables.
   - Earlier visibility of costs and commitment.
   - On-line, real time cost management information.
   - Steel Batch costing – Planned Vs Actual
   - Monitoring of planned Vs actual production of Billet & TMT