OBEROI REALTY LIMITED

BUILDING CONCRETE DREAMS EFFECTIVELY AND EFFICIENTLY

QUICK FACTS

Industry
Engineering, construction, and operations

Revenue
US$107 million

Employees
350

Headquarters
Mumbai, India

Web Site
www.oberoiconstructions.com

SAP® Solutions and Services
Implementing the SAP® ERP and SAP Real Estate Management applications

Implementation Partner
AAKIT Technologies

Oberoi Realty Limited needed tighter integration of its business processes, scalability to continue its business expansion, support for its construction and real estate business, and flexibility to enter new markets. The SAP® ERP application provided the business process support, scalability, and flexibility, and the SAP Real Estate Management application added the industry specifics – powering four more years of rapid growth.

Key Challenges

- Achieve scalability to grow and diversify
- Attain functionality specific to the construction industry along with the flexibility to move into other verticals
- Standardize and automate business processes to enhance efficiency and reduce cycle times
- Achieve integration across functions
- Provide accurate, real-time information to decision makers

Why SAP Was Selected

- Comprehensive coverage of engineering and construction industry requirements
- Scalability and flexibility to support growth and diversification objectives
- Availability of global industry best practices with predefined processes and reporting templates

Implementation Best Practices

- Mapped business processes in detail to help guide the solution selection process
- Enjoyed high-level executive sponsorship and commitment, with the CFO as lead sponsor
- Followed an incremental implementation plan
- Adopted the ASAP methodology with minimal customization
- Used the "train the trainer" technique for effective change management

Low Total Cost of Ownership

- Completed implementation on schedule and within budget
- Retired legacy systems
- Reduced overall IT support costs by eliminating need for legacy system maintenance, interface development, and customization

Financial and Strategic Benefits

- Enabled 4 years of rapid growth
- Enhanced control over site operations
- Provided insights for effective decision making
- Automated and standardized key operational and support processes
- Improved operational efficiency through integrated business processes
- Increased process agility and performance
- Achieved company-wide information consistency, eliminating the need for reconciliation among functions

Operational Benefits

- Increased new apartment sales
- Increased year-on-year procurement savings
- Reduced accounts receivables
- Reduced procure-to-pay cycle time
- Enhanced Procurement/Sales/HR/Finance efficiency
- Zero system-led purchase order/invoice errors
- Reduced order-to-cash cycle time

OBEROI REALTY

"SAP has helped us sustain our tremendous growth rate in the last several years."

Saumil Daru, Group CFO, Oberoi Realty Limited

www.sap.com/contactsap

Enabling Extensive Growth and Business Diversification

Oberoi Realty Limited (ORL), with its premium portfolio of residential, commercial, and retail properties, is one of the most prominent real estate developers in India's commercial capital of Mumbai.

Between 2003 and 2006 ORL enjoyed a compound annual growth rate of more than 100%, which put great strain on the disjointed business applications in place. Business processes were poorly connected, and key information was dispersed.

Becoming One of the First in Its Market to Choose SAP® Software

With the legacy software approaching a breaking point, ORL commissioned Deloitte Consulting to perform a complete mapping of its business processes and recommend a new business software platform that would provide tight integration and smooth information flow. It had to support the specific requirements of construction and real estate as well as the firm's ambitions to diversify into the hospitality, retail, and education verticals. Most important, it had to have the stability and scalability to handle consistent exponential growth.

Based on Deloitte's analysis, ORL became one of the first real estate companies in India to opt for SAP applications.

Implementing Quickly with Minimal Customization

ORL and its implementation partner, AAKIT Technologies, took an incremental approach to implementation, leading to smooth, organization-wide adoption. Another key factor was the close involvement of the firm's top executives, especially the CFO, who was the program's lead sponsor. ORL used the ASAP methodology and performed minimal customization, contributing to a rapid rollout and conservation of IT resources then and ever since.

Enabling Efficient Business Processes

ORL has continued to grow consistently, with effective functional and process enablement. With a single source for all business data, the company no longer wastes time in reconciliations. Business processes are standardized and automated. Budgeting is tightly integrated with sales, and the entire cycle is well controlled. Billing and project progress are tightly linked as well, enabling milestone billing – a key characteristic of the construction industry. Efficiency is up throughout the organization. Executives make faster, more informed decisions now that they have analytics functionality and timely, reliable reports. With better data visibility, they also have more control over project site operations.

Real-time updates from SAP software allow ORL field sales to sell apartments faster, enhancing revenues. Improved information visibility saves time and money in procurement and accounts receivable, and speedier check depositing improves cash flow. Reporting and data security processes are also streamlined.

Driving Further SAP Software Adoption

ORL intends to leverage its SAP solutions further as it continues to grow and diversify. Human capital management staff will use the performance appraisal and training and event management functionalities of SAP ERP. Sales and marketing staff plan to further streamline the lead-to-customer and quote-to-cash processes to enhance sales effectiveness and maximize return on marketing investments. With scalability no longer a concern, ORL is poised to continue its rapid rise in Mumbai's booming real estate market.

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