ESSEL PROPACK

GROWING MARKET SHARE AND REDUCING COSTS WITH SAP® ERP

QUICK FACTS

Industry
Mill products

Revenue
US$370 million

Employees
2,200

Headquarters
Mumbai, India

Web Site
www.esselpropack.com

SAP® Solutions and Services
SAP® ERP application

Implementation Partner
IBM Global Business Services

Essel Propack Limited, the world's largest specialty packaging company, wanted to replace its disparate global IT landscape with a centrally deployed enterprise software solution. With a goal of consolidating operations and aligning processes worldwide, the company deployed the SAP® ERP application. As a result, Essel has reduced inventory and production costs and increased market share via greater customer satisfaction.

Key Challenges

- Align processes across global operations
- Eliminate disparate IT systems worldwide
- Reduce inventory and production costs
- Improve information visibility and reliability to support daily decision making and long-term planning
- Improve customer satisfaction
- Improve employee productivity by reducing manual, duplicative work
- Shorten financial close cycle

Why SAP Was Selected

- SAP's track record of success with customers in the same industry
- The software's ability to meet company needs across all business areas
- Solid product road map and expertise, helping to ensure successful upgrades and enhancements
- Strong support offerings
- Minimal IT hardware and maintenance

Implementation Best Practices

- Single blueprint for simultaneous rollout to 21 plants worldwide
- Multitier global project team, with managing director as lead
- Use of business process teams to approve design and guide implementation
- Multilanguage user interfaces and training
- Global user base for testing and training

Low Total Cost of Ownership

- 9-month installation – on time and within budget
- Elimination of all legacy software systems and multiple vendor support
- Consolidation of data centers worldwide to a single facility
- Reduction in IT maintenance costs

Financial and Strategic Benefits

- Lower production and inventory costs
- Greater employee productivity
- Reduction in customer inventory carrying costs
- Rapid, proactive decision making
- Fast resolution of customer issues
- Material traceability – from raw materials to finished goods
- Accurate orders through global visibility of sales
- Real-time monitoring of production output and equipment utilization

Operational Benefits

Key Performance Indicator	Impact
Market share	+32% to +33%
Overall equipment efficiency	+4%
Inventory	-21%
Account receivables	-10%
Scrap materials	-1%
On-time and in-full delivery rate	+2% (from 96% to 98%)
Monthly financial closes	15 days to 8 days
Management production reports	15 days to 1 day

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"With a single instance of SAP ERP, we are seeing improvements across all of our global operations, especially around production efficiency and employee productivity. We've also realized cost reductions and have increased our market share."

Zoeb Adenwala, Global Chief Information Officer, Essel Propack Limited

www.sap.com/contactsap

Meeting Customer Packaging Needs Without Cutting Corners

Essel Propack Limited is the world's largest specialty packaging company, producing innovative packaging for a wide a range of consumer products, from toothpaste to food. Essel operates 23 manufacturing facilities in 12 countries, holding a market share of 33% in the laminated tubes domain. Key to the company's success is its ability to meet customer packaging needs, no matter how often they change. "Understanding and responding to customer requirements is the heart of our business," says Zoeb Adenwala, global chief information officer at Essel. "And to do that effectively, we need to ensure operational efficiency across the business."

Eliminating a Cumbersome IT Landscape

Over the years, Essel had grown through a series of mergers and acquisitions, which left the company with several local and regional enterprise software systems and data centers. Not only were these disparate IT systems costly and difficult to maintain, they made it difficult for Essel to align its business processes and achieve visibility company-wide. To consolidate and streamline its global operations and reduce IT costs, Essel selected the SAP® ERP application. "SAP ERP supports our industry best practices," says Adenwala, "so we can operate smarter and eliminate a lot of duplicative, unnecessary work for our employees – while improving customer service."

Containing Project Cost and Scope

Essel followed a rapid nine-month implementation plan, using a single business blueprint for simultaneous deployment across 21 plants around the world. Strong leadership and excellent collaboration between top executives and business process owners was critical to keep the project on time and within budget. The project was helmed by a multitier global team, which included experienced business users from various regions. "Because we have 2,200 employees representing 19 different nationalities," says Adenwala, "we used local business users to provide language-specific training. We also enlisted employees across the company to validate the solution and interface design."

Supporting Worldwide Operations with a Single Solution

Today, a single instance of SAP ERP located in Essel's data center in India is supporting global business and production processes. In addition to drastically reducing IT costs, Essel has reduced its inventory by 21% and has improved efficiency of its production equipment by 4%. "SAP ERP is making a big difference," says Adenwala. "Not only have we improved our on-time and in-full deliveries, we can even remotely manage our customers' inventory to lower their carrying costs." SAP ERP has also made information throughout the company highly available, enhancing employee productivity and decision making. In addition, monthly production and financial reporting are now completed in almost half the time.

Looking Forward to a Bright Future – Unboxed

Essel now has the IT foundation it needs to continuously innovate. The company is leveraging SAP ERP by integrating it with barcode and scanner technology to enhance traceability of raw materials, finished goods, and sales orders. The software also enables Essel to better manage customized orders. "Regardless of the product packaging, we can deliver it to our customers faster and cheaper," explains Adenwala. "This is just one of many ways that SAP ERP is helping us maintain our competitive edge."

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