



### **OUICK FACTS**

### Industry

Automotive - rubber auto components

### **Company Turnover**

12.1 crores (US\$2.7 million)

### **Employees**

Over 80

### Headquarters

Thane, India

### SAP® Solutions and Services

SAP® Best Practices packages (localized for India); PRCEdge, a qualified SAP Business All-in-One partner solution

## Implementation Partner

KPIT Cummins Infosystems Ltd.

Divekar Wallstabe & Schneider Precision Seals Pvt. Ltd., a manufacturer of rubber components for India's automotive industry, needed better business software to integrate its departments and support planning. The company adopted an SAP® Business All-in-One solution that delivered the integration and planning environment along with support for its industry-specific processes.

### **Key Challenges**

- Replace stand-alone applications with a single, integrated IT solution for the enterprise
- Improve capacity planning, production scheduling, sales and distribution, and inventory management
- Mitigate compliance risks
- Provide easy access to needed information
- Double sales within 5 years without additional resources

## Implementation Best Practices

- Provided ready-to-deploy process support for manufacturing plastic and rubber products – preconfigured, tested, thoroughly documented, and based on SAP\* Best Practices packages
- Prepared and configured master data prior to implementation
- Defined end-to-end business processes prior to implementation

# Financial and Strategic Benefits

- Enabled cross-functional collaboration by implementing a single company-wide solution
- Made business processes more consistent and efficient throughout the value chain
- Sped needed information to planners and decision makers
- Provided single view of production environment, thereby improving product quality
- Simplified regulatory compliance
- Grew revenues 20% a year without increasing headcount

### Why SAP Was Selected

- Best business software on the market
- Understanding of the plastics and rubber industry and support for its specific processes
- Ability to support standardized business processes across the entire value chain
- Integration across all departments and business units
- Support for globalization goals

### Low Total Cost of Ownership

- Completed implementation in 2.5 months, 2 weeks ahead of schedule and within budget
- Minimized effort needed to accommodate company's requirements by leveraging experience of similar customers
- Automated the scenario testing process

## **Operational Benefits**

- Cut inventory cost by 30%
- Achieved annual savings of US\$11,000 by centralizing accounting, purchasing, and inventory management
- Reduced cost and time to perform sales planning, production planning, and procurement planning while increasing reliability
- Made critical business reports available on a moment's notice
- Shortened manufacturing throughput times



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"SAP's reputation as an ERP solution leader was well known to us, and that was reassuring. The solution's powerful integration functionality was clearly what we needed. SAP ERP offered us everything we were looking for."

Chaitanya Divekar, Managing Director, Divekar Wallstabe & Schneider Precision Seals Pvt. Ltd.

# Turning Business Software into a Competitive Advantage

Divekar Wallstabe & Schneider Precision Seals Pvt. Ltd. is a joint venture between Germany's automotive components manufacturer Wallstabe & Schneider and Mecnam Products and Deshmukh Rubber Works, both owned by India's Divekar Group. The company manufactures O-rings, diaphragms, precision seals, and bonded rubber components for a predominantly automotive customer base.

For many reasons, Divekar Wallstabe recently decided to replace the software it was using to run the business. It did not support efficient business processes, leading to disruption, errors, delays, inaccuracies, and unnecessary costs throughout the company. Planning of all kinds was especially difficult - including production, sales and distribution, and inventory management - a situation that resulted in long lead times, order fulfillment errors, and lost orders. The firm suffered from poor information visibility and performance insight, hampering its ability to make good business decisions and identify opportunities for improvement. Furthermore, Divekar Wallstabe needed more help assessing, monitoring, and mitigating risk of noncompliance with local and global regulations.

In short, Divekar Wallstabe wanted to turn its business software from a competitive disadvantage to a competitive advantage. The company found the ideal solution in PRCEdge, a qualified SAP® Business All-in-One partner solution from KPIT Cummins Infosystems Ltd. "PRCEdge combines the company-wide process integration for which SAP software is famous with support for processes specific to manufacturing plastic and rubber products," says Ganesh Khobare, project manager for the company. "Furthermore, it was built using SAP Best Practices packages, which maximizes user efficiency."

# Implementing the Solution in Record Time

KPIT completed the implementation in just 2.5 months, 2 weeks ahead of schedule and within budget. One reason was the extensive preconfiguration and predefinition performed in Divekar Wallstabe's master data, system settings, forms, layouts, test catalogs, and configuration documentation. In addition, KPIT leveraged its extensive experience with similar companies, along with tools it had developed for them, to expedite the incorporation of Divekar Wallstabe's enterprise structure specifics.

Now Divekar Wallstabe has the single solution it was seeking to integrate its entire enterprise. Employees are able to collaborate fully with members of other departments, boosting productivity throughout the company. The environment for planning of all kinds is enhanced, and with better plans come cost savings. For example, by centralizing accounting, purchasing, and

inventory management, the firm is saving US\$11,000 annually in direct costs. More reliable planning has had a substantial impact in manufacturing as well, where better information visibility has led to shorter throughput times, lower stock quantities, and improved product quality. Regulatory compliance is easier, resulting in lower risk of penalties and lost business.

When Divekar Wallstabe launched the project, its goal was to double sales within 5 years without an increase in internal resources. With its software from SAP, the firm is already well on its way, with revenues growing at a rate of 20% annually.

### Implementation Partner

KPIT is an IT consulting company that serves customers in over 20 countries. Powered by more than 1,200 dedicated professionals, KPIT's SAP practice is based on more than 14 years of experience in all phases of SAP software implementation.



### 50 105 052 (11/06)

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