



# PANTALOON RETAIL (INDIA)

## IMPROVING CONTROL WITH THE SAP® GENERAL LEDGER APPLICATION

### QUICK FACTS

#### Industry

Retail

#### Revenue

Rs4,776.33 (in crores) – around US\$1.01 billion

#### Employees

30,000

#### Headquarters

Mumbai, India

#### Web Site

www.pantaloon.com

#### SAP® Solutions and Services

SAP® General Ledger application, SAP General Ledger Migration service for subsequent implementation of document splitting tool

#### Implementation Partner

SAP Consulting

#### Key Challenges

- Improve financial tracking and reporting for all retail locations and business levels
- Enhance decision making by providing more granular, real-time information
- Support financial accounting needs of a rapidly expanding retail business
- Expedite the reconciliation and closing processes

#### Implementation Best Practices

- Received executive sponsorship at the CFO level
- Leveraged a combined team of SAP consultants and in-house experts
- Used the ASAP methodology
- Minimized business process reengineering

#### Financial and Strategic Benefits

- Greater business insights through more accurate and timely financial information
- Lower costs via convergence of financial accounting and controlling
- Enhanced data quality
- Easier compliance with regulatory requirements via the SAP parallel accounting feature

#### Why SAP Was Selected

- Pantaloon's successful track record with SAP® software
- The software's scalability and ease of integration
- The software's ability to meet company needs (a "perfect fit" for an enterprise-wide implementation)
- Complete data integrity and real-time updates
- Expert support during migration effort, including support for document splitting

#### Low Total Cost of Ownership

- Significantly reduced infrastructure and processing costs
- Reduced database growth by around 500 GB per year via document summarization at profit center level
- Completed project on time, in just 4 months

#### Operational Benefits

- Greater visibility of AR and AP throughout profit centers
- Increased business transparency via drill-down reporting capabilities
- Real-time, continuous reconciliation of cost elements and expense accounts, freeing up personnel for more value-added activities
- Ability to close books 15% to 20% faster
- 5% to 10% reduction in accounts receivables

India's leading retailer, Pantaloon Retail (India) Limited, has seen rapid growth in its many market segments and retail formats. But with more than 2,000 sites across India, the company had difficulty tracking the financial information of each location. Pantaloon migrated to the SAP® General Ledger application and gained greater site-specific financial visibility and accelerated its month-end closing processes.



“We gained many benefits from SAP General Ledger, including financial visibility at the profit center level, parallel reporting, and reduced infrastructure costs.”

Chandra Prakash Toshniwal, CFO, Pantaloon Retail (India) Limited

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## Managing Exponential Growth

Pantaloon Retail (India) Limited has seen tremendous growth in recent years, and today the company operates in more than 70 cities across India at over 2,000 individual sites. In fact, Pantaloon is the country's largest retailer, with multiple group companies and retailing channels that offer consumers everything from food and fashion to books and beauty products.

To effectively manage such a diverse and wide-spread enterprise, Pantaloon needs visibility into financial information throughout its operations – including profits centers and the various lines of businesses and individual locations. But as the company expanded, managers found it more and more difficult to track the financial position of each site and business level.

With its earlier implementation of the SAP® ERP Financials solution, Pantaloon actually had general ledger (GL) solutions activated and available for use based on a broader unified database while classic G/L tables were also filled simultaneously. As the company's base of operations grew to include over 2,000 stores, Pantaloon decided it was time to migrate to the SAP General Ledger application. Specifically, it wanted to take advantage of document splitting features and the real-time integration between financial accounting and controlling.

## Ensuring a Smooth Migration

To mitigate the challenge of migrating to SAP General Ledger simultaneously across 12 different group companies, Pantaloon engaged SAP Consulting to assist its internal team. It also opted to use the SAP General Ledger Migration service. As Ushir Bhatt, CEO of Future Knowledge Services Limited,\* notes, “SAP Consulting did a great job in helping us execute this critical project.” With excellent teamwork among the Pantaloon and SAP personnel, the project was completed on time and in only four months.

## Enabling Greater Visibility and Faster Operations

These days, SAP General Ledger gives Pantaloon a higher level of transparency into individual operations and helps it continually drive productivity improvements across the enterprise. For example, Pantaloon can now automatically split accounting line items per document for each company profit center. And, because these transactions are handled by the software, the company no longer needs to make period adjustments to balance sheet and profit and loss statements. With the document splitting tool, Pantaloon now has a real-time, complete picture of its accounts receivables and payables across all operational levels, which has enabled it to reduce receivables by up to 10%. In addition, it is now able to close the monthly books 20% faster, due to tight integration between financials and controlling components and real-time reconciliation capabilities.

SAP General Ledger makes it easier for the company to create unified reports for ensuring compliance with a variety of regulatory requirements. Moreover, since Pantaloon's data is stored only once in the system (in a single totals table), data redundancy is no longer an issue – resulting in more accurate reporting. Overall, company employees have faster access to higher-quality information. The end result: better decision making by Pantaloon managers.

## Looking Forward

Pantaloon plans to use other functions of SAP General Ledger as well. Parallel reporting, for example, will make it easier for the company to manage the different fiscal year variants used by its individual businesses. Pantaloon will also benefit from this feature when India converges with International Financial Reporting Standards (IFRS), planned for 2011.

\*Like Pantaloon, Future Knowledge Services Limited is also a Future Group company.

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