Birla Lao Pulp & Plantations: Sowing the Seeds for Maximal Efficiency Using SAP® Software

Imagine having to manage 50,000 hectares of plantation land. How do you ensure that everyone – from top management to your laborers – is working and planning based on the same set of data? Data errors and inability to access data quickly can lead to costly mistakes. Birla Lao Pulp & Plantations chose SAP® software to ensure business visibility and optimal land use.

Partner

Executive overview

Company
Birla Lao Pulp & Plantations Co. Ltd.

Headquarters
Vientiane, Laos

Industry
Mill products

Products and Services
Viscose staple fiber

Employees
4,660

Web Site
www.adityabirla.com

Partner
I-Novate Technologies Limited
www.i-novatetech.com

BUSINESS TRANSFORMATION

The company's top objectives

- Enhance efficiency by eliminating manual collection of data
- Optimize plant management processes
- Improve business visibility and decision making by integrating business management systems

The resolution

- Implemented the SAP® ERP application and Agrovate for SAP ERP
- Integrated SAP software with SAP ERP at the group headquarters in India

The key benefits

- Reduced time taken to gather and consolidate labor-related data from one week to one day
- Improved efficiency in calculating incentives based on workers' performance
- Increased ability to manage and track land available for use
- Improved data visibility, decision making, and analysis of crop performance via integration of the SAP solution

Read more

TOP BENEFITS ACHIEVED

86%
Reduced time in getting labor-related data

97%
Reduced time taken to calculate incentives

20 days
Saved from reconciling land data

See more metrics

"SAP has the best solutions that are compatible with our business needs, and SAP offers great support."

Sanjay Sharma, Deputy General Manager for IT, Aditya Birla Group

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Resolution

Business transformation

Future plans

Preparing the ground for a healthy and profitable plantation

Birla Lao Pulp & Plantations Co. Ltd. (Birla Lao) is a subsidiary of India's Aditya Birla Group, which is one of the world's largest aluminum rolling companies and a leading producer of viscose staple fiber (VSF). A man-made and biodegradable fiber with characteristics similar to cotton, VSF is extremely versatile. It is widely used in manufacturing apparel, home textiles, dress material, knitted wear, and nonwoven applications.

In a bid to extend the group's leadership in VSF production, the group established Birla Lao in June 2006. For this venture, the Aditya Birla Group acquired 50,000 hectares (123,553 acres) of land from the Laos government to plant eucalyptus trees for the production of VSF. The first trees will be ready for harvest in 2016, which will then be used to produce pulp that will be exported to the group's VSF manufacturing plants in India, Indonesia, and Thailand.

Headquartered in Vientiane, Laos, Birla Lao had been using business software built in-house to manage its operations. Manual processes were also involved in the planning, tracking, and managing of land available for use across 10 provinces in Laos. Vientiane office staff also had to manually submit business data for analysis and decision making to the group's headquarters in Mumbai, India. The company decided that these time-consuming processes had to go. Having a single, integrated business and plantation management platform must do much more than automate and streamline processes. The software would also have to enhance operational efficiency, optimize land use, and ensure real-time availability of accurate data to improve managers' decision-making process.

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Single platform ensures single business view

In April 2011 the Aditya Birla Group decided to standardize all its businesses with the SAP® ERP application. It also selected Agrovate for SAP ERP as the plantation management solution for its pulp and fiber subsidiaries, including Birla Lao. Management expected both solutions to enable them to align business processes with industry best practices. They also looked forward to integrating financial and manufacturing processes, improving inventory management, and enhancing corporate governance.

Developed by I-Novate Technologies Limited (I-Novate), an SAP partner and value-added reseller, Agrovate for SAP ERP improves processes within a plantation. Its functionalities include nursery management, plantation and forest management, research and development, farm management, fleet management, labor management, and finance and controlling. "I-Novate has a deep understanding of our requirements and implemented a solution that is cost-effective and optimized," says Sanjay Sharma, deputy general manager for IT, Aditya Birla Group.

The SAP ERP application and Agrovate for SAP ERP went live at Birla Lao in October 2011. The software deployed includes finance and controlling, materials management, plant maintenance, production planning, a project system, quality management, and sales. Both SAP ERP and Agrovate for SAP ERP eliminated the manual processes of gathering, consolidating, reconciling, and submitting land and labor-related data at the plantations and the Vientiane headquarters.

"Using solutions from SAP and I-Novate, we now can connect all processes in our plantation from end to end."

Sanjay Sharma, Deputy General Manager for IT, Aditya Birla Group

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Goodbye tedious processes, hello productivity and growth

By removing manual processes, Birla Lao is able to reduce labor management costs. Managers now use hand-held devices at the plantations, which allow them to enter labor time and activity into the SAP application. Previously, gathering and sending data to the Vientiane headquarters took two full days to a week, depending on location. This data is now accessible, without duplication or error, at the end of each day.

Time taken to calculate incentives based on workers' performance has been reduced from 5 hours to 10 minutes every day. SAP software also enhances the company's ability to manage and track land available for use as data is entered directly into SAP ERP. This eliminates the monthly manual data reconciliation process, which used to take 20 days. The company is able to optimize its inventory of seedlings and improve production planning. India headquarters has 100% visibility of Birla Lao's performance, enhancing decision making.

KEY BENEFITS

86%
Reduced time in getting labor-related data

97%
Reduced time taken to calculate incentives

20 days
Saved from reconciling land data

100%
Visibility of business requirements

100%
Visibility of business performance

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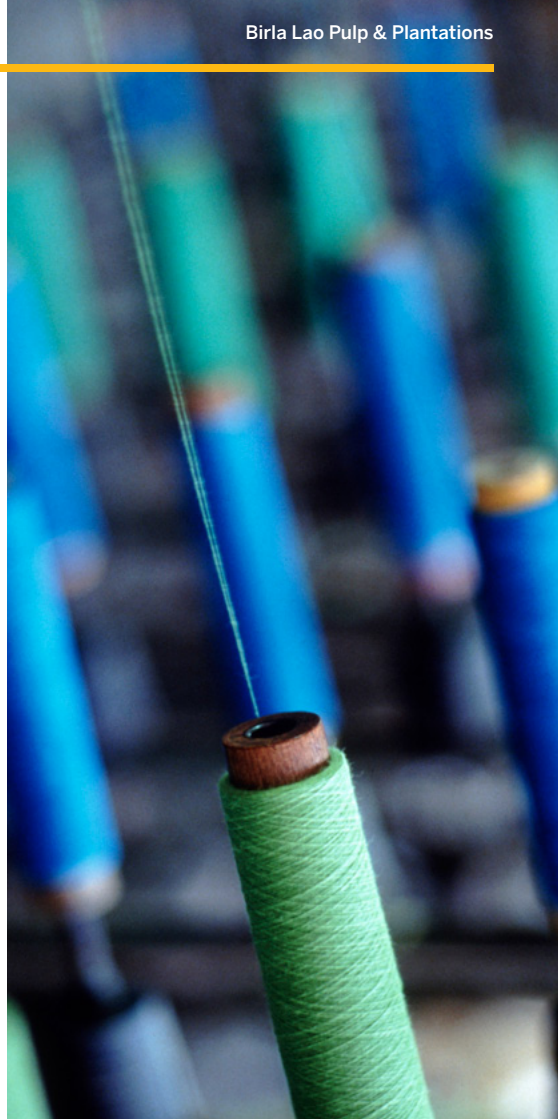
The road ahead is clear

The road ahead is clear. With SAP ERP and Agrovate for SAP ERP in place, Birla Lao will be better able to analyze business performance and continually find ways to improve its operations and explore growth areas. Plans are also in the pipeline to integrate processes at the pulp production plant (which will be up and running in 2016) with existing plantation processes. Using solutions from SAP, the company will also be able to better map out its pulp planning needs and harvesting plans.



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