



ASIAN PAINTS

CENTRALIZED MASTER DATA MANAGEMENT HELPS BUSINESS MANAGE GROWTH

QUICK FACTS

“To remain competitive, we need to constantly source new materials and add them into our business applications so we can bring new products to market as quickly as possible. How we handle master data for materials is critical to this end. This is why we chose SAP NetWeaver MDM.”

Manish Choksi, CIO, Asian Paints Ltd.

Company

- Name: Asian Paints Ltd.
- Location: Mumbai, India
- Industry: Chemicals; consumer products
- Products: Industrial coatings, decorative paints
- Revenue: Rs 36 billion (US\$851 million)
- Employees: 3,500
- Web site: www.asianpaints.com
- Implementation partners: SAP® Consulting, Bristlecone India Ltd.

Challenges and Opportunities

- Effectively manage materials that represent 60% of the value chain
- Support expansion to new locations and ease new product introductions
- Support double-digit growth, expanding the product portfolio and the number of dealers and facilities
- Improve efficiency through better master data management (MDM)

Objectives

- Centralize materials MDM across SAP and non-SAP applications
- Replace maintenance-intensive legacy MDM solution
- Establish foundation for enterprise service-oriented architecture (enterprise SOA) to provide business agility and business process flexibility

SAP Solutions and Services

- SAP NetWeaver® MDM component
- SAP NetWeaver Exchange Infrastructure component

Implementation Highlights

- Achieved 8-month implementation
- Set up data dependencies to support a robust data model
- Enabled error-free creation of new master data that allows introduction of 3 to 4 new materials daily

Why SAP

- Powerful search and visualization functions to govern materials master data across SAP software and 3rd-party applications
- Support for multiple data types
- Support for enterprise SOA
- Commitment to and strong product road map for MDM

Benefits

- Improved productivity due to faster new material introduction and more-efficient problem resolution
- Faster extension of master data into new facilities
- Reduced complexity and lower maintenance costs due to improved visibility and business-rule creation

Existing Environment

- SAP ERP application
- SAP NetWeaver technology platform, including business intelligence, portal, application server, and composite application software
- SAP Customer Relationship Management application
- 3rd-party software, from Optiva Systems Inc. for product life-cycle management and i2 Technologies Inc. for supply chain management

asianpaints

Asian Paints Ltd., a leading Indian paint manufacturer, is growing fast – at double-digit rates each year. The Mumbai, India-based company attributes much of its success to a focus on expanding into new locations and consistently introducing new products to meet market demand. Today, the company operates in 20 countries and has 30 paint-manufacturing facilities that serve consumers in more than 65 countries.

Manufacturing paint is a material-intensive process. Asian Paints estimates that 60% of its value chain goes directly into materials costs alone. And the company's operational complexity is staggering. On a typical day, Asian Paints manages more than 800 vendors that supply around 15,000 materials

management (MDM) became a strategic concern for the company. Asian Paints found a solution in the SAP NetWeaver® MDM component. "To remain competitive," says Manish Choksi, CIO at Asian Paints, "we need to constantly source new materials and add them into our business applications

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that are used to manufacture around 17,000 SKUs in various categories. There are eight paint manufacturing plants in India and around 28 subcontractors that manufacture various product lines. These are supplied to more than 19,000 retail outlets or dealers in India through 85 company warehouses.

While pleased with its impressive growth, the company realized that its twin focus on expansion and constant new product introduction put significant strain on the way it managed its materials master data. In time, master data

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Existing MDM Process: Error Prone and Maintenance Intensive

When it came to adopting new materials or extending master data into new locations, the company's legacy approach to MDM, which was largely manual, resulted in frequent errors and rising costs. Harish Lade, chief manager

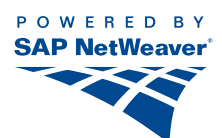
of systems and MDM project lead at Asian Paints, describes the situation. He says, "Because our MDM process had evolved over time through spreadsheet templates and homegrown applications, we had no unified end-to-end business process for creating, enriching, and disseminating materials data within the company." Even the business logic driving the materials master data was scattered across spreadsheets and database procedures. This made it difficult for Asian Paints to implement changes in the business rules for the affected workflow and user interfaces.

"We were losing business time because of incomplete and inconsistent master data," says Lade. "A significant amount of time was spent by the application support team in resolving issues that were attributable to incomplete or inconsistent master data. And because we had no visibility into the new master data introduction process, critical time was lost during new product introduction in trying to get the master data introduced in all the IT systems."

Diverse Enterprise Landscape: The Need for Integration

A major challenge in implementing a new centralized MDM solution was ensuring that it is fully integrated with the mix of SAP and non-SAP enterprise solutions deployed at Asian Paints.

The company already ran the SAP NetWeaver technology platform for its enterprise portal and business intelligence functionality. It also ran the SAP® ERP and SAP Customer Relationship Management (SAP CRM) applications.





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In addition, Asian Paints had adopted some non-SAP enterprise software: it uses a solution from Optiva Systems Inc. for product life-cycle management (PLM) and one from i2 Technologies Inc. for supply chain management (SCM).

“Our SAP software and our PLM and SCM software needed to work together to feed into a centralized MDM repository,” says Lade. “It was the only way to ensure master data quality and to administer the data model, business

SAP NetWeaver MDM also meets future scalability requirements. “Our materials master data is only a subset of the master data used by the company,” said Choksi. “We also have master data for vendors and customers, which is managed with our SAP solutions. In terms of both functionality and scalability, it made sense to go with SAP NetWeaver MDM.”

Asian Paints also views the implementation as a key milestone on its road map for enterprise service-oriented

only material master data, but also dependent data in follow-on systems.” In addition, Bristlecone designed highly flexible Java interfaces to incorporate Asian Paint’s complex business logic in a way that allows the company to quickly introduce new plants and materials as required.

The implementation took just eight months, with the SAP Consulting organization in India and the SAP software implementation group in the Asia-Pacific region both lending a hand to ensure a smooth process. Today, when workers enter new materials data into the PLM application, the data is loaded into SAP NetWeaver MDM through the SAP NetWeaver Exchange Infrastructure component. This makes data instantly available to consuming applications, including SAP ERP and the company’s i2 software for SCM.

“Ultimately, we want to take more and more responsibility for the creation, management, and enrichment of master data out of the hands of IT and put it into the hands of our business experts. SAP NetWeaver MDM is helping us do this.”

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rules, and new material introduction process across the organization.”

The Clear Choice: SAP NetWeaver MDM

For Asian Paints, ease of integration played a major role in choosing the SAP NetWeaver MDM component. “With SAP NetWeaver MDM,” says Lade, “we’ve achieved visibility into our disparate software environment, which includes PLM, supply chain, and SAP enterprise applications. This has allowed us to establish a central repository for the consumption of master data by all affected applications. It also allows us to create, implement, and enforce business rules.”

architecture (enterprise SOA). “By starting now to lay a firm foundation for enterprise SOA,” says Choksi, “we’re taking a critical step toward greater business agility through improved business process flexibility.”

Expert Support from Multiple Partners

Bristlecone India Ltd. acted as the primary partner for the SAP NetWeaver MDM implementation project. “First we tackled a tremendous learning curve to understand Asian Paint’s distinctive legacy infrastructure,” says Vipin Arora, project manager at Bristlecone. “Then we built a complete data model that takes account of not

Seamless Introduction of New Materials

Asian Paints now has a central MDM repository that hosts master data for all core materials, including raw, packing, intermediate, and finished materials. It also has a seamless process for managing all aspects of its master data that incorporates critical elements including workflow, validation, business rule-based data creation, and enrichment by end users.

As a result, productivity has increased significantly. “Since go-live,” says Lade, “we’re introducing three or four new materials every day – a lot faster and at lower cost than before.”

Quick Extension of Master Data to New Locations

Asian Paints has also reduced maintenance costs by automating the extension of master data to new facilities. Before the implementation, data experts had to manually collect master data and enter it into spreadsheets along with the accompanying business rules. Because sorting data took too much time, the company would also extend master data for materials that did not apply to the new location.

Today, facility-specific business rules are modeled in SAP NetWeaver MDM. This enables the company to extend master data to new facilities in a fraction of the time it took before. "Extension

follow-on errors in consuming applications. In addition, powerful search and visualization functionality helps catch any errors that do occur. "Now we have the ability to query, identify, and resolve problems in the master data in real time," says Lade. "That means we can resolve shipping and production delays much, much faster."

Extending the MDM Repository for Growth and Better Workflow

Now that it has tackled materials master data, Asian Paints plans to move on to vendor and customer master data. This step will be key in helping Asian Paints execute on its vision for enterprise SOA. The company is also looking into new functionality within SAP NetWeaver

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of master data to new facilities is a key aspect of our growth," says Lade. "The ability to extend only facility-specific master data and to do so in a few minutes instead of a few days is a huge benefit for us."

Error-Free Entry of New Master Data

With built-in validation rules that anticipate and prevent errors, SAP NetWeaver MDM enables Asian Paints to create new master data without

that will enable even greater visualization to further empower its end users. "Ultimately," says Choksi, "we want to take more and more responsibility for the creation, management, and enrichment of master data out of the hands of IT and put it into the hands of our business experts. SAP NetWeaver MDM is helping us do this."

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