

eNoah provides an integrated solution to an international auto spares manufacturer – Implementation an ERP (Mfgpro) and Finance & Accounts (F &A) migration in record time.

Challenge:

The auto spares manufacturer was earlier on a legacy system of ERP and had also outsourced his F & A functions to a leading service provider. Due to the takeover of the Company coupled with unsatisfactory experience in outsourcing, they had the compulsion to terminate their existing outsourcing arrangement. Under the new management the Company wanted to implement better controls and achieve greater customer satisfaction. They identified irregular supplies of production parts by suppliers as a critical bottleneck which was affecting production and thereby supply schedules. There were a number of old supplier invoices which were not processed on time due to mismatch of quantity or not updating new Purchase Order rates and tax rate changes in the system. The problem was also aggravated by the fact that many supplier addresses and bank details were wrongly recorded in the system which resulted in wire transfers/ payments being returned by banks.

To overcome this challenge the Company wanted to go for a new ERP solution and also outsource the F & A functions to a single service provider who could do an end to end migration with non negotiable deadlines.

The job involved implementation of a new ERP solution with data migration from the earlier version and simultaneous understanding of existing F & A business to come up with a solution which will achieve the company's objectives. This posed a number of challenges:

Technological Challenges:

- Understanding client's business and implementation of ERP solution with customization to suit his needs.
- Conference room piloting and training of client's personnel on new ERP (MFG PRO) version within a short span of time.
- Designing and implementing a work flow solution and integrating the same with the ERP.

BPO Challenges:

- Short window of time to understand the process, implement ERP solution and migrate the job. Project milestones had to be achieved with no delay and hence there was very short incubation time
- Company was making major alterations to their infrastructure in the plant which meant having an alternate plan at every step for last. minute changes

- Migration of data and account balances from old system to the new version.
- Arresting supplier issues during and post transition. As this was identified as a core problem any slip would have seriously jeopardized the business prospects.
- Understanding the process and go live before deadline date and ensure error free processing.
- Erroneous Reconciliations and account balances given by earlier service provider meant verification and correction of many account balances retrospectively from inception
- The cost controls imposed meant non availability of customized ERP menus resulting in additional time and manpower requirements for rectification of historical errors.

Solution:

eNoah's in depth understanding of Auto industry resulted in a very quick analysis of business model of the client and implementing the ERP (MFG PRO) version with inputs from key personnel on their functional areas through conference room piloting. A web enabled workflow solution integrating with the ERP was developed to give timely visibility to management for taking business decisions, and to suppliers to know status of payments on line. The core capability of the Finance & Accounts and ERP solution team to handle a seamless migration in tandem ensured the adaptability to situations and last minute plan changes. The GTM set up was suitably amended for changes in tax laws. The supplier concerns were addressed by having a help desk to quickly respond to their queries. This help desk was also used to update bank details and supplier data in the system. A reconciliation team was put in place to amend the PO rates in the system as well as reconcile old balances from inception and close disputes with suppliers.

Benefits:

- Getting QAD MFG PRO Product License, Industry specific configuration and implementation, AMS support and Finance and Accounting (BPO) support as a packaged service.
- Provided better visibility to the process thru web enabled workflow solution. This resulted in suppliers getting to know status of payments and supply related queries promptly.
- Helped achieve significant cost benefits on account of having a single service provider to address core business needs. The savings vis a vis the earlier set up was significantly high.

- Periodic amendment of PO rates in the system to reflect rate negotiations resulted in lesser mismatches and unprocessed invoices.
- Prompt and timely processing of payments resulted in reduction of supplier concerns. This in turn helped the client improve significantly on meeting production and delivery deadlines.
- As the supplier details were updated the number of mismatches in payments / wrong wire transfers were totally eliminated.
- The monitoring of GTM set up ensured better compliance on statutory payments as well as realization on tax credits.
- Putting in place a proper mechanism for follow up on receivables resulted in achievement of better cash management. Retrospective reconciliation of accounts and timely response enabled recovery of amounts originally provisioned or identified as non receivable thereby helping in improvement of bottom line and cash flow.
- Addressed audit concerns completely on internal controls and functioning. The team's industry experience helped identify and implement better controls for most of the processes handled.
- Provision for bad debts reduced considerably due to the constant follow-ups and recoveries.