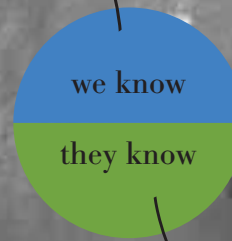


TOP TO BOTTOM



END TO END

Voltas in cool condition for market leadership with SAP and IBM

Voltas Limited (www.voltas.com, Voltas), a TATA Group company, is one of India's leading air conditioning and engineering services providers. From headquarters in Mumbai, Voltas Cooling Appliance Business Division (CABD) designs and manufactures the equipment, as well as designing and installing complete systems. Sales exceed INR40 million (US\$10 million), with more than 3,500 employees in regional offices and worldwide.

Voltas identified an opportunity to become the market leader in room air conditioners – and to do so, needed to improve operational efficiency and enhance customer service.

Three key post-manufacturing areas were identified: Sales and Distribution, Accounts Receivable, and Customer Service. Specific targets were set: to shrink inventory levels by 50 per cent; to cut receivables days outstanding by fifteen per cent; and to reduce administrative headcount by fifteen per cent. Voltas CABD exceeded all three of its principal business targets. Inventory days were cut by 54 per cent, receivables outstanding were reduced by 18 per cent, and administrative headcount shrank by 18 per cent.

To meet these business objectives, Voltas CABD chose SAP R/3 Enterprise software, and turned to IBM Business Consulting Services for assistance.

A one-stop-shop for SAP with IBM

As Ram Kumar, Chief Financial Officer at Voltas CABD, explains, "We chose IBM because they provided us with a one-stop shop. By choosing IBM Business Consulting Services, we have taken a company as a partner that can deliver the best in class service and products for our SAP initiative."

Voltas CABD engaged IBM Business Consulting Services to prepare the business case for the SAP implementation, and to examine possible IT infrastructure solutions.

The consulting team took on responsibility for the end-to-end implementation of SAP R/3 Enterprise, mySAP CRM, mySAP BW and mySAP Portal. The integrated solution was planned to cover 100 dealer outlets, of which initially 20 used the system, with rollout to the remainder. These SAP solutions cover sales order processing and distribution, working capital management (inventory, receivables and spares), operational planning, service order processing and

Overview

■ The Challenge

Re-orient business towards customer service; Grow revenues; Improve product availability; Reduce delivery lead times; Cut expenses; Improve working capital management, Cut inventories

■ The Solution

Industry: Manufacturing

Application: SAP R/3 Enterprise, mySAP CRM, mySAP BW, mySAP Portal

Hardware: IBM **@server**® pSeries™ Models 615, 630 and xSeries™ Model 345, IBM TotalStorage® FAST600 Storage Server, IBM TotalStorage® 3582 Ultrium Tape Library

Software: Tivoli® Storage Manager

Services: IBM Business Consulting Services

■ The Benefits

Reduced inventory levels by more than 50 per cent; Cut receivables outstanding by 18 per cent; Reduced administrative headcount by 18 per cent; Better management control

fulfilment, customer service, dealer channel management, consumer data capture, and management information and performance monitoring systems.

The SAP R/3 applications rely on highly robust, high-performance IBM eServer pSeries servers, while portal access relies on IBM @server xSeries servers. Data is stored on an IBM TotalStorage FAST600 Storage Server, with backup to IBM TotalStorage 3582 Ultrium Scalable Tape Library, managed by Tivoli Storage Manager.

Implementing Best Practice

By implementing an integrated ERP system, Voltas CABD expects to benefit from industry best practices, streamlining its business processes to improve its post-manufacturing operations. The Sales & Distribution aspect of the solution will automate much of the order fulfillment process and help the sales force manage customer accounts. With the customer relationship management application, Voltas CABD will be able to keep consistent, comprehensive records of all service-related calls, thus enabling the company to proactively measure and manage its customer service levels.

Finally, the accounting application will help the company manage its inventory and accounts receivables more effectively, reducing outstanding credit with its dealers.

Combined with the reliable, scalable IBM infrastructure, the SAP solution will position Voltas CABD to gain more market share and pose a threat to its biggest competitor.

“By choosing IBM Business Consulting Services, we have taken a company as a partner that can deliver the best in class service and products for our SAP initiative.”

Ram Kumar, Chief Financial Officer, Voltas Cooling Appliance Business Division

Extracting information from SAP data

By storing all operational data in a single IBM TotalStorage Storage Area Network, Voltas CABD is now able to build a coherent picture of its operations, and use the SAP Business Warehouse solution to extract valuable business information from all areas of its business. Five IBM @server pSeries Model 615 servers support the SAP applications, and three p630 servers form the product environment for the database, business warehouse and customer relationship management solutions. The database servers are configured as a High Availability Cluster Multi-Processing environment, to ensure highly resilient operations.

Four IBM @server xSeries Model 345 servers support the SAP Enterprise Portal, portal database and LDAP server, SAP internet server and development platform. The portal allows users to access personalized views of SAP data through a web-based interface, making SAP available at low cost to multiple users throughout Voltas CABD.

Ram Kumar, concludes, “The Voltas CABD SAP solutions have proved all the benefits – and more – promised by IBM Business Consulting Services. We shall be looking at new ways to extend the solution with IBM to continue to reap the benefits of SAP software.”



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