



Somany Gets Microsoft Dynamics NAV for Operational Homogeneity & Better Control

SOMANY

“NAV helped bring everyone to a common platform. I can now get minute-by-minute information on sales, inventory, order status and receivables’ outstanding. Now the entire operations seem more connected & controlled. We are quite happy with post-implementation support and have upgraded to NAV 2013 recently.”

Rajeev Kumar Lakhotia
Vice President - Finance
Somany Ceramics Limited

Highlights

Somany, the seller of the highest quality of ceramic and vitrified tiles is amongst the front runner in the Indian tiles sector.

Prior to implementation of Microsoft Dynamics NAV, the annual turnover of Somany was Rs. 2452 million in FY 06 which has grown to Rs. 11085 million in FY 13.

While Somany moved towards an exciting phase of expansion and growth; came the moment of truth. The management realized that while the business was scaling up, their legacy system lacked the capability to match the growth. This put forth the dire need for a robust & integrated business solution.

After a rigorous evaluation of various solutions and vendors, Somany zeroed down to Microsoft Dynamics NAV as the solution and Alletec – proficient in NAV implementation & strong knowledge of the building material industry – as its implementation partner. The solution helped Somany make a shift & adopt a common platform across all its locations, and also achieve the desired level of control over operations.

Business Situation

The most critical pain areas that needed to be addressed were:

- Somany had 2 plants & 22 depots pan-India. The two plants, all the depots and offices maintained their separate accounts which were manually consolidated at the year end – making the process troublesome & time taking.
- Decentralized financials kept the management oblivious of whether a dealer has exceeded his credit limit or not – at times resulting in dispatches to dealers with unsettled dues. Tracking of receivables and the ageing of those receivables was therefore a challenge.
- There was no visibility into the level of inventory across various depots – making it difficult to decide where to dispatch from in case of stock out – thus increasing transportation costs and delaying consignments.

Alletec Business Solution

After several rounds of investigative & diagnostic sessions between teams at Somany & Alletec, the solution was implemented as follows:

- Microsoft Dynamics NAV was chosen as the core application.
- A two-phased implementation plan was undertaken. The 1st phase involved implementing Sales, Purchase & Financial Accounting modules – in order to streamline Sales and Purchase Order processing across all depots. The 2nd phase involved implementation of Manufacturing & Inventory module at both the plants – to optimize capacity utilization and inventory management.
- Besides, a Dealer Portal was also activated at select dealer locations to allow real time information flow.
- On the recommendation of Alletec, an independent HR solution Adrenalin was also implemented recently.
- Alletec also rendered extensive system training to the reluctant users – facilitating smooth Change Management.

Benefits

- Significant reduction in time taken for accounts' consolidation
- Enhanced visibility into inventory position and ageing of inventory – facilitating dispatch from the closest location in case of stock out at any depot. This helps minimize transportation cost & shorten truck turnaround time.
- Monitoring of truck in & out time provides logistics insights that help shorten dispatch cycles
- Improved monitoring of dealer credit limits and outstanding – blocking orders in cases where limit has been crossed.
- The dealer portal provided real time updates to dealers on their order status – dispatch, invoice, outstanding, etc.



Results

- Unified working platform across all functions & locations
- Greater control over receivables with efficient credit rating management
- Better control over inventory
- Reduced logistics costs
- Tracking of region-wise & dealer-wise sales
- Tight accounting controls and strong MIS base