

Case Study

ERP Implementation in Ramtech India Pvt. Ltd. - A Success or Failure

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I. INTRODUCTION

Ramtech India Pvt. Ltd. was founded in the year 1975, to meet the requirements of electrical industry and has withstood test of time and emerged as the leading provider of specialized electrical insulating material and components. Company is having 250 employees with a turnover of Rs. 48 crores. As the organization turnover was increasing year by year, management of organization decided to automate the system to make efficient work flow, speed up the work and to add check point on the departments. To streamline the whole process they decided for implementation for ERP. ERP implementation are a lot more than software packages, these are the fundamental transformation of company business processes, people, policies, the company's culture are all factors that should be taken into consideration when implementing a major enterprise system. System Analysis and Program Development Product (SAP) is business management software-a suite of integrated applications-that a company can use to store and manage data from every stage of business, including:

- Product planning, cost and development
- Manufacturing
- Marketing and sales
- Inventory management
- Human resource
- Payroll
- finance
- Shipping and payment

After the negotiation and requirement of organization, the MOU was finalized with AG Novatech Consulting Company, New Delhi. AG NOVA Tech. had implemented SAP B1 in Ramtech India Pvt. Ltd. as this version was used in small scale industries. The total cost of the project was 20 lakhs (including all support) with a license of 15 users and for two remote locations. It took around 3 years for the implementation of SAP (2010-2013) due to the following reasons.

- Delegation of Authorities was not proper (Centralized)
- Requirement analysis was not done properly
- Manual system was running in parallel with ERP which requires more human resources
- It was an isolated ERP not a web based ERP
- Resistance of Employees towards the new system

At the initial level it was planned to implement SAP in all the different departments of organization, but it was successfully implemented only in the three different departments (purchase, sales and inventory) due to the above mentioned reasons. The process flow initiates from the sales order, which is generated by marketing team. Now according to the requirement of sales order purchase module makes the arrangement of raw material and raw material is available in inventory. The order is further move to production team. As the production module is not implemented through SAP and is carried out manually so the issues related to production remains unsolved (e.g. wastage control), so inventory module release the raw material against the sales order. Production team delivered the finished good to inventory. Now finance module is not implemented through SAP so accounts department will make invoice against the sale order which is not a part of SAP. The only benefit management is getting through SAP is the check point on purchase, inventory and sales.

II. BENEFITS OF ERP

- A. Ramtech was on a fast paced growth and could not continue with the existing systems and the pace was too slow due to added inefficiencies. ERP added efficiency and guided the led all the issues fast paced growth.
- B. The implementation of ERP brought in a new way of warehouse management system and brought in structure to branch offices.
- C. The initial implementation took time and then the successive implementations took lesser time and cost

and there is a huge advantage in saving cost while in the implementation phase itself.

III. CONCLUSION

ERP are implemented to reduced the paper work i.e Paper less office, authenticate document, security and online availability of information, but the partial implementation of SAP does not fulfill the goal of SAP. According to ERP Analyst ERP disasters are often caused by the user company itself. Analyst also said that 99 percent of such role out fiascoes is caused by Management inability to speech out their own requirement.

QUESTIONS

1. What are the benefits of SAP implementation to the organization?
2. What are the key issues of organization, not implementing the ERP solution to fully automate the systems?
3. What are the several key issues company should avoid for ERP system failures. Explain the reasons for your proposals.
4. Why customized ERP is better solution that SAP B1?