



Microsoft Dynamics Customer Solution Case Study



Paint Company Standardizes Technology Platform for Global Operations

Overview

Country or Region: India

Industry: Paint manufacturing

Customer Profile

Asian Paints is India's largest paint company and ranks among the top ten decorative coatings companies in the world today, with revenues of INR 25.6 billion (approximately U.S.\$585 million) in 2004-05 financial year.

Business Situation

Asian Paints expanded its business around the globe, in some cases acquiring companies. Each one of these subsidiaries had its own IT infrastructure, maintenance of which was a big issue with the corporate IT team. Supporting this diverse infrastructure required IT staff time and skills in multiple technologies and platforms.

Solution

Asian Paints executives decided to standardize on one platform, Microsoft® Business Solutions–Navision® version 3.7, for its operations in 22 countries outside of India.

Benefits

- Standardized technology platform reduces IT administration.
- Faster, quicker, improved data flow to parent company and regional teams.
- Removes the need for double reporting.
- Multilingual software integrates companies across the globe.

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Aashish Kshetry, Systems Development Manager, Asian Paints

Asian Paints operates manufacturing facilities in 22 countries around the world, and is the largest paint company in 10 overseas markets.

The subsidiaries that were started by Asian Paints—and also acquired—each used different systems and solutions, leading to issues such as high IT administrative costs and duplicated efforts in reporting. The company's executives saw a critical need to standardize operations in the international markets.

With this objective in mind, the company chose Microsoft® Business Solutions–Navision®, now part of Microsoft Dynamics™. This has helped the company reduce IT administration and improve access to relevant data in real time. Microsoft Navision will eliminate the need for double reporting to the regional and corporate offices, while providing consistent, streamlined, and integrated business processes across all Asian Paints offices.



"We chose Microsoft Navision because it was a solution with international modules for 40 countries, and it supports languages such as Chinese, Thai, and Arabic, among others."

Aashish Kshetry, Systems Development Manager, Asian Paints

Situation

The Asian Paints company has an enviable reputation in the corporate world for professionalism, fast-track growth, and building shareholder equity. Asian Paints operates in 22 countries and has 29 paint manufacturing facilities in the world, serving consumers in over 65 countries.

Asian Paints operates in five worldwide regions, including South Asia, Southeast Asia, South Pacific, Middle East, and the Caribbean. The company markets five corporate brands, namely Asian Paints, Berger International, SCIB Paints, Apco Coatings, and Taubmans. In 10 markets it operates through its subsidiary, Berger International Limited; in Egypt through SCIB Chemical SAE; in the South Pacific as Apco Coatings; and in Fiji and Samoa as Taubmans.

Asian Paints has deployed an extensive IT infrastructure to help increase and generate profits. The parent company has used an integrated supply chain management solution from i2 Technologies, and an enterprise resource planning (ERP) solution from SAP. With these IT tools firmly in place, the parent company runs a well-organized, efficient, and structured organization.

To ensure that its international business keeps pace with the parent company, it was important that each subsidiary also have a well-managed business solution. But the subsidiaries were at different stages of growth and maturity, and possessed a variety of existing systems. Some subsidiaries were small, with revenues of U.S.\$ less than one million and only manual processes, while some of the larger subsidiaries were using legacy transaction systems that were deployed before the subsidiary was acquired.

The Asian Paints IT team realized that it would need to find a business solution that

could match the pace of each of its international businesses, while creating a uniform technology platform across all of the company's subsidiaries.

Solution

Evaluation Process

While the parent company uses SAP's ERP solution, Asian Paints executives felt that the subsidiaries were not mature enough to use the SAP solution effectively, and that the cost of acquisition and deployment of the SAP solution throughout the enterprise would not be justified.

The key objectives in deploying a business solution were to:

- Create a stable transaction system across all subsidiaries that would last at least 7 to 10 years.
- Implement a solution that had built-in international modules on taxation and multilingual support, as the company has operations in Bangladesh, Nepal, India and Sri Lanka; China, Malaysia, Myanmar, Singapore, and Thailand; Egypt, Barbados, Jamaica, Trinidad, and Tobago; Bahrain, Dubai, and Oman; Fiji, Solomon Islands, Tonga, Vanuatu, Samoa Islands, and Australia.

Therefore, over a six-month evaluation period, Asian Paints decided to implement Microsoft® Business Solutions–Navision® software version 3.7 for its subsidiaries. "We chose Microsoft Navision because it was a solution with international modules for 40 countries, and it supports languages such as Chinese, Thai, and Arabic among others," explains Aashish Kshetry, Systems Development Manager, Asian Paints.

Additionally, Microsoft Navision offered a hub-and-spoke model which was ideal for Asian Paints. The hub-and-spoke concept refers to a parent or holding company that uses one business software system (the hub),

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which is integrated with the systems used by its individual subsidiaries or divisions (the spokes). It was decided: While the parent company was running SAP, the subsidiaries would be standardized on Microsoft Business Solutions–Navision.

Implementation Process

Once the decision to implement Microsoft Navision was made, the Microsoft local sales team brought in All e Technologies, a Microsoft Gold Certified Partner, to help with the implementation process. Microsoft continued to support All e Technologies and Asian Paints throughout the implementation cycle.

Prior to beginning implementation, the company created a central team consisting of All e Technologies, the in-house Asian Paints IT team, business managers, and process leads to help create a global business template. This was validated with chief executive officers at the subsidiaries to get their buy-in. Assembling the team, obtaining commitments, and implementing the first Microsoft Navision installation lasted approximately four months, at the end of which the first subsidiary Berger Paints Bahrain W.L.L. went live.

At this juncture, the company saw an opportune time to evaluate the implementation and make necessary changes before beginning any new implementations. Therefore, over the next four months, the company stabilized the implementation, customizing the solution according to its needs.

One of the key customizations built by All e Technologies was the treatment of delivery costs in purchase transactions. The solution has been customized to load the delivery costs to the materials module at the time of receiving the material itself. This ensures that material valuation and provisioning is online.

The customization also allows users to enter these costs at the time of receiving the material rather than at the time of creating the purchase order from the supplier. All delivery costs such as freight, custom duties, and other levies are entered in local currency and can be allocated to materials in the purchase order, either on the value of materials received or on the weight of the materials received.

Suitable customizations have also been done to ensure that the follow-on activities, such as booking invoices, reverse the earlier provision and pass the necessary accounting and value entries to Microsoft Navision—without human intervention.

Asian Paints has several complicated schemes and discounts in its sales pricing. All e Technologies has also modeled these schemes and line-item discounts in the Microsoft Navision sales order module. Some of these discounts are applied before the value-added tax, while some are applied after calculating the tax. Schemes also involve discounts by way of purchases of bulk packs, certain product categories, or certain pack categories, etc.

Each country's implementation is on a separate Microsoft Navision installation on its own server. This is typically installed in the factory, where there is a large concentration of users. In the typical Asian Paints operation, remote sales offices also connect to the Microsoft Navision system.

Once the initial installation was completed according to its requirements, the company set an aggressive plan of implementing Microsoft Business Solutions–Navision in ten countries in just eight months. These included Egypt, Dubai, Oman, Fiji, Samoa, Trinidad, Jamaica, Singapore, Sri Lanka, and Thailand. At each subsidiary, a centralized implementation process is followed. The

team installs Microsoft Navision, as with the pilot implementation, in the factory where there is a large number of users and where remote sales offices can connect to the server hosting Microsoft Navision.

The company continues to deploy Microsoft Navision at new locations, as per its requirements, with Nepal being the thirteenth subsidiary going live in January 2006.

Benefits

The hub-and-spoke model has enabled Asian Paints subsidiaries to interact with the parent organization easily and effectively, removing the need for generating multiple reports.

Standardized Technology Platform

“Our key objective was to standardize technology platforms and business processes across our subsidiaries and regions. Microsoft Navision has helped us achieve this objective quickly, efficiently, and cost effectively,” observes Kshetry.

With a worldwide edition of Microsoft Navision that supports multiple languages and tax and legal structures of various countries, Asian Paints did not have to implement local solutions to support local taxation and legal requirements. All the functionality was readily available in the Microsoft Navision software.

Reduces IT Administration

In its previous infrastructure, the corporate IT team was constantly extending support services and looking for solutions to integrate disparate and heterogeneous IT environments. This required highly skilled staff members to be available not just at the subsidiary region but also at the corporate level. With the implementation of Microsoft Navision, the subsidiaries are all on a single platform using the same applications, and

processes. This uniformity greatly reduces the IT intervention that was required earlier.

Faster, Quicker, Improved Data Flow to Parent Company and Regional Teams

The Microsoft Navision solution has benefited the Asian Paints corporate office, regional offices, as well as its subsidiaries. The SAP-Navision hub-and-spoke model will ensure that information is shared in a consistent manner across the organization.

The consolidated financial statements from the subsidiaries can now be transferred from different accounting structures into the standard requirements of the parent organization.

“With Microsoft Navision, the financial information is entered just once at the local subsidiary level, and the same information is easily reproduced as a printed financial statement or in any specialized format as per our corporate requirements,” adds Kshetry.

No More Double Reporting

Before implementing Microsoft Navision, each month the subsidiaries spent several unproductive hours creating reports showing activity at the country, regional, as well as corporate levels. This unproductive time will be completely eliminated with the implementation of Microsoft Navision. This is primarily because the reports will be generated as per the required guidelines once in Microsoft Navision and then sent in the format required by the regional offices as well as the corporate office.

What’s more, with each subsidiary on the same technology platform, the same business processes are being followed globally. This removes redundancies and improves business processes that have benefited all.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center at (800) 426-9400. In Canada, call the Microsoft Canada Information Centre at (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services at (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to:

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For more information about All e Technologies products and services, call (91) (120) 2588 6567 or visit the Web site at:

www.alletec.com

For more information about Asian Paints products and services, call (91) (22) 5695 8000 or visit the Web site at:

www.asianpaints.com

All e Technologies

All e Technologies is a Microsoft Gold Certified Partner that focuses on deploying Microsoft Dynamics™-based solutions for its customers. The company has offices in India, Germany, Switzerland, the United States, Mauritius, and New Zealand. The Indian operations provide the backbone for global fulfillment and technology competence. The ISO 9001:2000-certified offshore development and services center in India forms an integral part of its offerings—enabling All e Technologies to offer compelling advantages of high-quality global fulfillment with reduced costs to its customers.

About Microsoft Dynamics

Microsoft Dynamics, a division of Microsoft, offers a wide range of integrated, end-to-end business applications and services designed to help small, midsize, and corporate businesses become more connected with customers, employees, partners, and suppliers. Microsoft Dynamics applications optimize strategic business processes across financial management, analytics, human resources management, project management, customer relationship management, field service management, supply chain management, e-commerce, manufacturing, and retail management.

More information about Microsoft Dynamics can be found at:

www.microsoft.com/dynamics



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