

Indu Projects Cuts Reporting Times by Weeks and Lays Foundation for Growth



Indu Projects Limited
Hyderabad, India
www.induprojects.com

Industry:

Engineering & Construction

Annual Revenue:

US\$326.62 million

Employees:

1,500

Oracle Products & Services:

Oracle Financials
Oracle Purchasing
Oracle Inventory
Oracle Project Contracts
Oracle Project Costing
Oracle Project Billing
Oracle Project Management
Oracle Discrete Manufacturing
Oracle Business Intelligence
Oracle Collaboration Suite
Oracle Human Resources
Oracle Payroll

Oracle Partner:

PricewaterhouseCoopers India
www.pwc.com/india

“We went live with Oracle E-Business Suite in late February 2008. The system has enabled us to vastly improve our view and management of our business, the quality of our reports, and the time required for preparation.” – Sanjay Tangri, Chief Financial Officer, Indu Projects Ltd

Headquartered in Hyderabad, India, Indu Projects Limited is a leading infrastructure and real estate development business. Incorporated in 2001, Indu Projects offers a comprehensive set of design, construction management, and whole-of-life asset management services. The company’s expertise extends to the development of IT parks and special economic zones, townships, shopping malls, multiplexes, hotels, themed ventures, and core infrastructure such as irrigation, energy, and road projects.

Indu Projects’ use of a mix of isolated systems meant the organization was managing its operations by individual sites and could not gain an enterprise-wide view of information. “Our accounting systems were standalone and there were disconnects between procurement and consumption, accounting, human resources, and payroll,” said Indu Projects chief financial officer Sanjay Tangri. “To prepare our month-end reports, we had to enter data multiple times, requiring a lot of man hours and resulting in some inaccuracies.”

These disconnects meant Indu Projects had to wait a long time to receive and collate information from its sites to obtain a business-wide view of performance. “These factors prompted us to implement a new enterprise resource planning (ERP) system and we went live with the Oracle E-Business Suite in late February 2008,” said Tangri. “The system has enabled us to vastly improve our view and management of our business, the quality of our reports, and the time required for preparation.”

Growing Business Demands Support

Established in 2001 by I. Syam Prasad Reddy, Indu Projects manages more than 56 million square feet of development. Driven by entrepreneurial board members, the organization combines a proven execution capability with a diversified business model that

Key Benefits:

- Reduced costs by leveraging purchasing power to obtain better prices and credit terms
- Cut month-end reporting times from about four weeks to eight days
- Enabled management to rapidly obtain in-depth reports and respond to opportunities across the business
- Allowed Indu Projects to consolidate and centralize resources

delivers both realty and construction services. This combination has helped the business attract private equity investors such as IDFC, Sun Apollo, Red Fort Capital, Citigroup Venture Capital International, and Credit Suisse and deliver revenues of US\$326.62 million in the 2008 financial year. Indu Projects is looking to build on recent forays into newer high-growth areas and an order book equivalent to four times the 2008 financial year revenues with entry into high-growth geographies.

To support and build on this growth, Indu Projects had to implement a robust ERP system that delivered meaningful insight across 1,500 employees at head office and distributed sites. This system would replace disparate, non-integrated systems based on Tally software, Microsoft Word, and Microsoft Excel spreadsheets.

Indu Projects opted to deploy a range of Oracle E-Business Suite modules, including Oracle Financials, Oracle Purchasing, Oracle Inventory Management, Oracle Project Contracts, Oracle Project Billing, Oracle Project Costing, Oracle Project Management, Oracle Discrete Manufacturing, Oracle Business Intelligence Solution, Oracle Collaboration Suite, Oracle Human Resources, and Oracle Payroll.

Projects and Contracting Streamlined

The Oracle system and associated business process reforms have delivered a raft of enhancements to Indu Projects' operations. The organization is now able to expedite proposal approvals by using workflow-based document routing, analyze proposal wins and losses, store documents in a centralized repository, and automatically send alerts to relevant team members once a lead is created in the system.

Indu Projects can now also capture budget information, integrate and manage resources, schedules, and finances, undertake workflow-based approvals, view the status of a project using an easy-to-read dashboard, and calculate revenues against costs booked against a project.

“The workflow-based tool has substantially reduced the time required to obtain approvals, while our managers can now easily and efficiently monitor the status of a project,” said Tangri.

Procurement and Finance Enhanced

Deploying Oracle E-Business Suite has enabled Indu Projects to complete financial reports by the 8th of the following month rather than 20th–25th as previously, enabling managers to track and respond more quickly to issues. Tangri hopes to bring this down to the 5th of the following month.

“On the inventory side, we plan to move towards a just-in-time procurement strategy,” said Tangri.

The new system incorporates a centralized master supplier document, allowing the corporate office to buy materials in bulk and issue materials to respective sites as required. Previously, purchasing was undertaken at each site, minimizing Indu Projects’ ability to leverage the size of orders to obtain discounts and enhance credit terms. This approach resulted in waste and other inefficiencies as the organization’s corporate office had a limited view of who was buying what, when, and why.

“Now the system is centralized we can buy steel in bulk for a sizeable discount and get 15 days’ credit,” said Tangri. “We can also measure inventory carrying costs across all sites.”

Tangri’s role is supported by an automated workflow-based approval process based on the delegation of authority, online quotation analysis, the automated creation of purchase orders from requisition, system-based matching of purchase orders and receipts, real-time visibility of inventory across the organization, standardized codes for items and services, online inventory valuation, and a report that matches cumulative purchase orders against individual and cumulative limits.

The system has enabled Indu Projects to improve its negotiation skills when dealing with suppliers and restructure the organization to optimize productivity and performance. “We used to have purchasing staff at each site; now the function is centralized at our corporate office,” said Tangri. “On the financials side, we have consolidated administration to head office, including check printing, cash flow, and treasury management.”

Indu Projects has also streamlined the number of operative accounts from 10,000 to around 1,000, centralized asset tracking, improved the ease of depreciation calculation, started measuring hire charges on a per project basis based on depreciation, begun

analyzing customer and supplier balances, and automated bank statement reconciliation.

“We have also put in additional control points, such as electronic approval for invoices we receive that are not associated with a purchase order number,” said Tangri.

As well as being easily able to view receivables for each site, Tangri can view and prioritize payments. “Now I can prepare a single check rather than ten, to pay a single supplier to cover each of our sites.”

“It makes it easier to balance receivables and payables across the entire organization.”

HR Efficiency Improved

Indu Projects has also enhanced the efficiency of its human resources functions by deploying a centralized employee database incorporating regularly updated information on skill sets. “This helps us identify the resources we have and tailor our project resource planning appropriately,” said Tangri. “We also keep a complete record of our recruitment process, including date-tracked status and interview details.”

“Our new system sharply reduces the time required to check and recheck payroll elements each month, while payroll calculation is also an easier task,” he added.

Why Oracle?

Following an extensive evaluation of competing solutions, Indu Projects elected to build a system based on Oracle modules. The company evaluated both SAP and Oracle and found Oracle more manageable and not as rigid as SAP. “Oracle met our business requirements of being flexible and reliable,” said Tangri.

Implementation Process

Indu Projects turned to Oracle Certified Partner PricewaterhouseCoopers, India (PwC) to deliver the Oracle system. Implementation commenced on June 16, 2007, and was completed on February 27, 2008. PwC has an established Oracle practice in India and extensive competence in the engineering and construction industry. The firm has also developed a Site Solution catering to the information needs of construction sites. The Site Solution is well integrated with Oracle E-Business Suite.

PwC's role included configuring the system to meet business requirements, training employees, and troubleshooting once it went live. It also included integrating the Site Solution application with the Oracle system to optimize performance.

"Any new project is now being managed through Oracle," said Tangri. "As of now, we have 17 projects implemented."

Tangri conceded that change did not come easily to some sites. "There were some mindset issues," he said. "A lot of managers at construction sites were comfortable with particular systems or processes and wanted these to be duplicated in Oracle."

"Our biggest challenge was not to customize and we negotiated our way internally ensuring there were no changes to the Oracle applications throughout the project."

"However, once the system was implemented and operational, the staff embraced the opportunities to deliver more efficiently."

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