

Maruti Supports Business Growth with Scalable, High-Performing ERP System



Maruti Suzuki India Limited
New Delhi, India
www.marutisuzuki.com

Industry:

Automotive

Annual Revenue:

US\$3.35 billion

Employees:

More than 5,000

Oracle Products & Services:

Oracle Financials
Oracle Purchasing
Oracle Human Resources
Oracle Self-Service HR
Hyperion Enterprise System

Implementor:

Oracle Consulting

“Oracle Consulting displayed excellent project management at all times. The team reviewed the system throughout the implementation to ensure it was tightly integrated with our legacy applications. This enabled us to migrate to the Oracle solution without any disruptions to our business.” – Rajesh Uppal, Chief General Manager, Maruti Suzuki India Limited

Maruti Suzuki India Limited has led India’s car market for more than a quarter of a century. First established in 1981, the company is now a fully-fledged subsidiary of the Suzuki Motor Corporation. Its principal activities include the manufacture and sale of motor vehicles and spare parts via a 300-strong dealer network scattered across India.

The year 2002 saw Maruti add finance, leasing, insurance, and pre-owned car businesses to its portfolio, increasing the scale of its operations and prompting a review of its processes and systems.

Oracle Consulting was engaged to install a number of Oracle E-Business Suite modules and integrate them with Maruti’s existing systems. The eight-month project involved managing up to 50 people, including Maruti staff, Oracle consultants, and employees of third-party organizations. Oracle also assisted Maruti with change management, a critical part of the process to ensure quick user acceptance.

Thorough project management by Oracle Consulting enabled Maruti to go live on the Oracle applications without any interruptions to its business. By standardizing on a single Oracle platform, the company achieved better control of its finance, procurement, and human resources functions. It also gained a more manageable and scalable platform to support its rapidly expanding business.

The Need to Strengthen Management Control

Prior to employing Oracle, Maruti used a number of home-grown systems to manage its various lines of business. Many of these

Key Benefits:

- Improved efficiency by replacing mismatched systems with a standard Oracle solution to manage finance, procurement, and human resources
- Ensured a smooth rollout by engaging Oracle Consulting to supervise the design and deployment of the solution, and manage the implementation team
- Achieved seamless integration with legacy systems, ensuring senior managers have visibility into business performance
- Promoted user acceptance by developing extensive training programs to help staff transition to the new system

disparate systems could not talk to each other, requiring staff to enter data multiple times and consolidate information to generate management reports.

The addition of four new business sectors in 2002 created further pressures, requiring constant monitoring and human intervention to keep the system operating across the hundreds of locations Maruti serves within India. To support this growth and improve efficiency, the company decided to revamp its information technology systems to provide end-to-end visibility into the organization.

“We were looking for a flexible, expandable system that was easy to manage,” said Rajesh Uppal, chief general manager, information technology, Maruti Suzuki India. “This would reduce the complexity of the IT environment and our reliance on certain people to maintain the systems. And because our business is undergoing a period of rapid expansion, it was important to have a standard system that could scale easily.”

To minimize the impact of the system change on its business, Maruti decided on a phased migration to Oracle E-Business Suite. As a first step, the company decided to replace its financial, purchasing, and human resources systems with Oracle Financials, Oracle Procurement, and a range of Oracle Human Resources applications.

Oracle Consulting was selected to supervise the implementation, including determining Maruti’s requirements and developing a project plan, designing the system, deploying the software, managing the various parties involved, and providing post-implementation support.

Tight Project Management Ensures Swift Deployment

As with all Oracle Consulting-led deployments, consultants sat down with Maruti managers and key business users to scope out their requirements. A steering committee was set up to guide the implementation and ensure consultants had recourse to senior executives for advice.

The project plan delineated the responsibilities of each party and incorporated monthly milestones and testing deadlines. Oracle Consulting ensured a fast, problem-free installation by employing Oracle’s Business Flow Accelerators—an implementation approach that leverages predefined business flow templates to

reduce the time and cost associated with application deployments. A key project challenge was interfacing the Oracle modules with Maruti's legacy systems, including direct item procurement, dispatch systems, the time card system for attendance, and the Hyperion business intelligence platform. The integration had to be completed without any impact on the company's business, which frequently deals in large volumes. For example, Maruti generates more than 2,000 invoices each day and any lengthy interruptions could have disastrous impacts on cash flow further down the line.

The open, modular structure of Oracle E-Business Suite ensured the technical side of the integration was relatively painless. Process-wise, Oracle Consulting helped ensure tight integration for real-time performance, enabling budget and credit checks to be completed online in the legacy system.

"These are some of the benefits of working with a partner who knows the product inside out," said Uppal. "We could also make use of Oracle Consulting's links with the development team, which was handy when we needed something done at the technology layer."

A quality control team was set up to monitor the progress of the team against the project plan and conduct regular system reviews to ensure it was delivering the functionality requested by Maruti. According to Uppal, this was a major reason for the project's success.

"This approach ensured any potential problems were ironed out before the system went into production," he said. "As a result, we had a problem-free system launch and could utilize the new modules immediately."

Ensuring a Smooth Transition

While Oracle Consulting was not actively involved in change management, the team contributed indirectly to Maruti's efforts to transition users to the new modules. The Oracle team advised Maruti on process changes and contributed to training programs.

"Oracle Consulting developed the user manuals, helped us design a train-the-trainer program, and provided additional training for our super users," said Uppal. "Their assistance was a huge help in overcoming resistance among users and adjusting them to the new system. Once they understood how it worked and the benefits it generated, they were happy to adopt the Oracle applications."

“With Oracle Consulting, we got a total solution—a partner with end-to-end responsibility for developing, installing, and supporting the solution.”

Future Plans

After the success of the financials, procurement, and human resources deployment, Maruti is considering expanding its Oracle footprint. The company is evaluating Oracle Advanced Supply Chain Management and Oracle Enterprise Asset Management.

“We would like to automate supply chain management and integrate this process with the Oracle ERP system,” said Uppal. “We are also looking at linking more systems with Oracle, so we can access real-time information across all our businesses. I expect Oracle Consulting to play a role in future projects.”

Why Oracle?

Maruti has a successful history of Oracle implementations, beginning with the deployment of Oracle Database and Oracle Real Application Clusters as a stable foundation for its nationwide dealer management system. The dealer management system itself was developed using Oracle Fusion Middleware products. When it came to selecting a solution for the ERP system, Maruti again turned to Oracle.

“We evaluated several packages but found that the open interfaces of Oracle E-Business Suite offered the best integration with our legacy systems,” said Uppal. “Standardizing on Oracle technology and applications would also lower support costs and ensure easy upgrades in the future.”

Maruti had previously used external parties to develop and deploy its Oracle solutions. This time, the company decided to work directly with the vendor to deploy the ERP system.

“We found that many of the systems integrators did not have sufficient knowledge of Oracle E-Business Suite to guarantee a smooth deployment,” said Uppal. “By engaging Oracle Consulting, we would have easy access to technicians with an in-depth understanding of the product and consultants with extensive project management experience and business understanding.

“Oracle Consulting were exemplary in their conduct throughout the project.”

Implementation Process

In addition to designing the system and providing advice on business process reengineering, Oracle Consulting was responsible for managing the different parties involved in the implementation. These included Oracle Certified Advantage Partner IBM, who completed part of the functional work (writing custom extensions code and installing Oracle Financials and Oracle Procurement). Oracle Consulting deployed the Oracle Human Resources modules.

Oracle Consulting provided three months of post-implementation support, and also assisted Maruti for one month in the lead-up to the company's year-end closing.

Advice from Maruti Suzuki India Limited

- Enlist the support of business users when initiating a technology project. Their cooperation is critical to driving the project and promoting user acceptance.
- Implement a robust change management process, which includes extensive user training and comprehensive sessions on the benefits of the new system.
- Populate the implementation team with senior executives, experienced project managers, business users, and expert technicians. The combination of skills will facilitate a smooth deployment.

Maruti Suzuki India Limited is a subsidiary of the Suzuki Motor Corporation of Japan and has been the leader of the Indian car market since its establishment in 1981. Its manufacturing plants, located south of New Delhi in Gurgaon and Manesar, has an installed capacity of 450,000 units per annum, with a capability to produce around half a million vehicles. The company has a portfolio of 11 vehicle brands and is listed on both the Bombay and National Stock Exchanges in India.