

Case Study

POSHS Metal Industries Pvt. Ltd.

Improves Bottom-line with EPPS ERP

About the company

Metal fabricators manufacture everything from spoon to complex aircraft parts. Companies in this industry transform metal into intermediate or end products. Important processes within the industry include forging, stamping, slitting, cut-to-length, die blanking, bending, forming and machining, used to shape individual pieces of metal.

Given the wide range of products, flexibility in manufacturing is a key success factor for companies in this sector. Customers are also increasingly demanding customized products to be delivered just in time and at very low costs. They demand the ability to seamlessly transfer engineering drawings, product specifications and order quantities to their suppliers. One way for metal fabrication companies to cope with the vigorous demands of their sector is to opt for an efficient ERP system. POSHS did just that and reaped the benefits.

POSHS Metal Industries Pvt Ltd. specializes in processing auto-grade steel. Its clients include some of the top MNCs in automotive and white goods sectors. Some of its major customers include Tata Motors, Bajaj Auto and ancillaries, Mahindra Intertrade, Mahindra and Mahindra ancillaries, Blue Star and ancillaries, LG and Godrej and Boyce.

POSHS specializes in offering the following services to its clients.



Steel service center



Slitting



Cut-to-length



Die blanking



The Pre-ERP Situation

POSHS was using only an accounting software before deciding to shift to EPPS –ERP. The limitations of its existing system included -

- »»» Lack of real time data capture.
- »»» Lack of IT support.
- »»» The software was not able to manage a high volume of data/transactions.
- »»» Stock records and material movements was not tracked by the software.
- »»» HR records were either manual or captured in an excel spreadsheet.
- »»» Subcontracting details were manually captured in a register.
- »»» The software did not allow for planning of materials movement.

The Solution

EPPS centralized operations via its cloud-based ERP solution. EPPS' solution integrated the following systems onto one platform -

- »»» Finance
- »»» Materials management
- »»» Freight management
- »»» Outsourcing management
- »»» Sales and Distribution management
- »»» HR Management module



Impact of Implementing an ERP solution

The single biggest impact of implementing an ERP solution has been on the bottom-line for POSHS Metals. The company lost Rs 2.3 million and Rs 4 million in the two years prior to implementing EPPS ERP's solution. Since implementation, its EBITDA has shown a steady 5% year-on-year increase.

This has happened mainly due to better control of vendor and freight liability that now happens electronically in real-time. The company had a lot of dispatch errors, as the uneducated workers of the factory floor would mix up consignments. The brief to EPPS was to find a solution that would ensure perfect dispatches. The solution should also be easy enough to be handled by the uneducated workers that handled the bulk of the dispatch.

EPPS devised a simple mobile-based solution to solve the problem. The answer was to affix bar codes to every manufacturing lot. When a loading document was created, it came affixed with a bar code. The loader was trained to scan the bar code first on the loading document and then the bar code on the products, using a smartphone app. A green light would flash on the screen if the correct codes had been scanned. If he scanned the wrong code, a red light would appear. If this happened, he was instructed to notify a manager.

To ensure accuracy in the dispatch process, the security guards too were equipped with smartphones loaded with the dispatch app. Their job would be to scan the bar codes inside the vehicle and the delivery note, before allowing the truck off the premises. They would only let the truck go, if the green light flashed in the app, indicating the correct lot had been loaded.

A further step required a manager to okay the dispatch. This too happened via the app. The designated manager would get a notification once the loading was done. He could then check to ensure the bar codes on the dispatch document and the lots matched. If satisfied, he would click on the app to allow for the goods to leave the factory.

The system has ensured zero dispatch errors since being implemented. The management also has a real-time view of P&L at the click of a button which enables them to take the right decisions thereby improving the bottom-line.

