



## ERP in the Assembly Units of LED and Electric Control Panel Industry

### Objective

To understand how EPPS ERP has addressed critical business needs in Assembly Units for LED and Electric Control Panel.

### Industry Overview

#### Electric Control Panel & Display Units Manufacturers:

It is a niche in itself in the field of Engine Safety Units, Genset Display Units, Automatic Mains Failure Panels and other Customized Automation Solutions for engines, generators etc. Having established itself as an industry leader through quality and innovation, it has also forayed into the field of Solar Solutions and LED Lighting solutions for a wide range of requirements.

#### This industry works with -

- ✓ AMF Panels
- ✓ Ancillary Products
- ✓ Digital Display Units & Control
- ✓ LED Lights panel
- ✓ Solar Home Lighting Systems
- ✓ Engine Control Units (ECS)
- ✓ Solar Power Packages
- ✓ Engine Safety Units
- ✓ Solar Lighting



## Problem Statement

### The major problem faced by SME industries are -

- »» Because input components are in large numbers, varying between 100 to 500, issuance of raw material to a sub-contractor/ job worker becomes a roadblock.
- »» Inventory management is another pain point of these SMEs. Inventory is the largest asset on their balance sheets and without careful planning, inventory can easily get out of track, resulting in heavy markdowns due to overstocking, ultimately leading to serious cash flow problems.
- »» Manual data entry in an uncontrolled environment often lead to inaccuracies in tracing the number of specific raw materials utilized in multiple finished products. These inaccuracies then lead to major problems when finished products are shipped to the clients.
- »» Non-availability of a proper material management system poses serious problems in terms of exact analysis of stock available vs stock to be procured.
- »» Inaccessibility to real time data results in critical problems in production process, often resulting in huge revenue loss.



## Business Need

**SME who do the assembly job along with minor manufacturing, business needs are very specific and revolves around the inventory tracking and monitoring. Some of the needs are captured below -**

- 1) Required BOM (Bill of Material) for Finished Goods and Semi Finished Goods.
- 2) Tracking of Finished Goods and Semi Finished Goods and consumption pattern.
- 3) For raising a sub-contracting PO (Purchase Order), it is required to put all the item which they are issuing to the subcontractor for the Job Work (can be issued partially / fully).
- 4) Additional cost incurred during production needs to be calculated which will help them to derive the final cost of the product and help them set the right price. Lack of system driven calculation leads to loss of profitability.
- 5) These industries need material requirement planning to have clear visibility for material procurement along with the available stock, as some of the component used in such products are high value raw materials and have a lead-time to procure.



## Solution Overview

**EPPS ERP solved the above problems & business need by offering integrated solution, which not only handles material planning but also provides a single platform for Sales Management, Finance Management, Production along with user control and approval mechanism, which is accessible through browser and mobile app.**

- 1) EPPS GRO is a pre-configured click to install model that helps SMEs improve efficiencies in their operations. It gives you access to essentials, that gets you started on your journey towards growth. Integrated modules help you to manage your business operations effectively on a secured platform.
- 2) The Purchase Order transaction allows the user to create purchase order for the stock as well as for subcontracting processes.
- 3) The GRN transaction allows the user to receive the raw materials and update the same in system.
- 4) Tracking of material location wise, quantity and value wise, finished item stock and total consume items can be done easily.
- 5) With the help of MRP, details of stock and required items are fetched to shows accurate requirement of RM. This feature helps to plan production and purchase related activities.
- 6) Production is supported with on time delivery as per schedule, which leads to customer satisfaction.
- 7) The mobile app functionality allows for an uninterrupted workflow and facilitates better business decisions with up-to-date and real-time data on a secured platform.
- 8) EPPS GRO comes with an integrated accounting software that takes care of your creditors, debtors, banks, cash flow, fund flow and all your statutory compliances.



## Solution Detail

**Some of the critical problems and business needs that have been addressed through EPPS ERP are stated below -**

### **1) BOM (Bill of Material)**

BOM is a list of raw materials, sub-assemblies, components, parts and the quantities of each materials that are needed for manufacturing of a product. BOM helps you achieve the basic principle of material management to provide "right part in right quantities at right time". BOM helps you roll up cost to derive the costing of your product. Through BOM you can control incorrect procurements. It also lets you do proper planning & tracking of your input materials to avoid excess inventory, stock-outs, excessive expedite charges, and excessive downtimes. For faster execution of planned work BOM helps you in tracking which parts are used and where they are used, thereby reducing your operation cost.

BOM explosion can help you issue properly controlled materials to sub-contractor.

### **2) Sub-Contracting / Outsourcing**

Organisations outsource some of their work to a third party vendor to save time and cost. Sub-contracting / Outsourcing module helps the user effectively track the status of the job and the material at the third party vendor location. It can be used in conjunction with the existing manufacturing and procurement process to support use of third party vendors in the part of supply chain. Purchase orders for outsourced contracts give a clarity on the process and charges for the vendor. BOM explosion can help you issue proper controlled materials to the sub-contractor. Issues and receipts process within the Sub-contracting / Outsourcing module helps track the material accurately at vendor location.

### **3) Production Reporting**

Production reporting helps you track the status of the material produced. It helps you in loading the input material cost and the overheads to manufacture the material. Production costing is a very important aspect in decision making for every manufacturing industry. Production reporting with batch number allocation helps you track the batch with its age. This is crucial in sales return and service warranty elements.

### **4) MRP**

MRP run in EPPS GRO helps you populate the material requirement to ensure materials are available for production and products are available for delivery to customer on time. Proper MRP planning also ensures reduced inventory with very few (none) shortages. It improves customer service efforts with proper commitments. It also reduces the procurement cost by cutting down the expedite procurements at extraordinary rates.

## 5) Reports

Reporting extends beyond manufacturing and production monitoring to include sophisticated reporting and analysis capabilities for -

- ✓ Material Management System
- ✓ Sales Management System
- ✓ Finance & Accounting System
- ✓ Business Policy Management
- ✓ Production & Quality Management

## 6) Mobile Application

- ✓ EPPS GRO comes along with secured mobile app, which is linked with your license through IMEI number of the user's mobile. This is to protect unauthorized access of confidential business data.
- ✓ EPPS GRO Management App helps the decision maker to see business activities on the go.
- ✓ It also comes with a notification alert so that the approvals can be done without any delays.
- ✓ The management app also helps the decision maker to take business decisions instantly while dealing with a client in a business meet or in a coffee shop.
- ✓ Overall, the mobile app helps to increase the efficiency of day-to-day business operations.



## Solution Benefits

The direct and indirect benefit, which has been observed over a period in this industry, has been captured below -

- ✓ Support growth without additional labour resources
- ✓ Improved product availability and on-time delivery
- ✓ Reduced expedited freight costs
- ✓ Reduced month-end close time
- ✓ Increased inventory turnover
- ✓ Reduced scrap
- ✓ Reduced monthly shipping errors to zero
- ✓ Reduced maintenance costs by the use of service PO
- ✓ Reduced repair time
- ✓ Increased traceability for ISO compliance
- ✓ Improved accountability across the organization
- ✓ Reduced inventory variances by as much as 80%

## Customer Testimonial



### RB ECO POWER



As we were growing and scaling up aggressively there was a good amount of increment in orders from our clients and we had to increase our manpower and resources. Therefore, to organize and to manage the change of the upgraded environment, we decided to go for an ERP. We had evaluated many ERP providers, and to be very honest all were good, but none of them could show us the confidence regarding support, which we saw in EPPS. We were facing issues while managing stock and purchase because everything was manual. We could not get the actual data when we required. Now with EPPS ERP we are streamlining everything effectively. We got an excellent solution and support from both Sales and Support team of EPPS. I personally am extremely happy with the EPPS Team and I would recommend EPPS ERP to others as well.

