

## Mallcom India Generates Financial Reports Instantly, Reduces Inventory Spending by 5%



Mallcom (India) Limited  
Kolkata, India  
[www.mallcomindia.com](http://www.mallcomindia.com)

**Industry:**  
Industrial Manufacturing

**Annual Revenue:**  
US\$22 million

**Employees:**  
400

**Oracle Products & Services:**

Oracle E-Business Suite  
Release 12.1  
Oracle Financials  
Oracle Purchasing  
Oracle Order Management  
Oracle Discrete Manufacturing  
Oracle Business Accelerators

**Oracle Partner:**

CSA Consultants  
[www.csaconsultants.in](http://www.csaconsultants.in)

*“Oracle E-Business Suite is an integrated financial, inventory management, and manufacturing system that will support our business as we continue to diversify our product portfolio and move into new global markets.” – Giriraj Mall, Director, Mallcom (India) Limited*

Established in 1983, Mallcom (India) Limited is a manufacturer, exporter, and distributor of personal protection equipment (PPE), including helmets, safety goggles, gloves, safety boots, and work wear. The company distributes its brand name products across India and has original equipment manufacturing (OEM) agreements with more than 30 customers in Europe and North and South America. The company has six manufacturing facilities in Kolkata and one in Haridwar. It also has offices in Kolkata and Delhi, and a network of 35 dealers in India.

Since the early 1990s, Mallcom (India) Limited has progressively opened new business units as it diversified its product portfolio. As a result, the company had acquired three home-grown accounting systems and an order management application. The legacy systems were expensive to maintain, clunky to use, and involved extensive manual intervention.

“Staff needed to collate financial, inventory, and manufacturing data from multiple systems and manually enter the data into spreadsheets to create monthly and quarterly reports for their managers,” said Giriraj Mall, director, Mallcom (India) Limited. “This involved a lot of manual work and took too much time – sometimes up to two days.”

In late 2010, Mallcom engaged Oracle Partner CSA Consultants to deploy Oracle E-Business Suite R12.1 modules—Oracle Financials, Oracle Purchasing, Oracle Order Management, and Oracle Discrete Manufacturing.

The system streamlined Mallcom’s financial reporting, inventory management, and manufacturing processes while providing more control over cash flow across its business units. The company is now able to create monthly and quarterly reports in less than an hour.

**Key Benefits:**

- Enabled staff to compile financial reports and provide them to managers immediately, rather than spend up to two days finding the relevant information
- Improved cash flow management by enabling the CFO to easily identify which business units have cash surpluses so he can pay creditors in advance or allocate funds to another division if required
- Reduced spending by 5% by enabling staff to order inventory and raw materials from a standard list of suppliers
- Provided sales and accounts staff with instant access to invoicing information so they could quickly determine which orders needed to be settled
- Ensured all raw materials were utilized during the manufacturing process, which helped keep costs under control
- Will soon enable the company to easily determine which machines used in the manufacturing process are being underutilized and exactly when they need to be serviced so they last longer

“Oracle E-Business Suite is an integrated financial, inventory management, and manufacturing system that will support our business as we continue to diversify our product portfolio and move into new global markets,” said Mall.

**Improved Reporting, Cash Flow Management**

Oracle Financials provides Mallcom with a standard accounting system across three of its business units: Mallcom Safety Pvt Ltd, which markets Mallcom branded products; the leather safety glove (GLV) division; and shoe manufacturing (UAD) business units within the parent company, Mallcom (India) Ltd. Staff can now create standard ledgers, income statements, and balance sheets in a matter of minutes to present to managers.

“An accounting staff member working in one of these three divisions can use consolidated data to create any type of financial report, and they can present it to their manager almost immediately,” said Mall.

“Previously, it could take between a few hours and two days to get the relevant information to compile regular financial reports. Now, managers get the information they need to identify which products and divisions are generating the most revenue and profit at any point in time.”

Oracle Financials also enables Mallcom to better manage its cash flow, which ensures that funds are being used wisely between each business unit.

“These divisions are now talking to each other with one, integrated system, and our chief financial officer (CFO) can easily identify which business units have cash surpluses so they can pay creditors in advance or allocate funds to another division if required,” said Mall.

“The system also enables our CFO to identify funds that aren’t being used and put them in a term deposit that gives us a better return. Ultimately, we are managing cash more effectively and our CFO doesn’t have to wait for monthly reports from each division before he decides how to best invest our money.”

**Automated Invoicing Saves Time**

Oracle Order Management has automated Mallcom’s invoicing and order processing tasks by making it easier to reconcile transactions, particularly with overseas customers.

**“We now have an integrated system that enables our procurement team to negotiate better deals with our suppliers. This will probably help us to reduce spending by 3% to 5%.”**

Giriraj Mall  
Director  
Mallcom India Limited

The system provides sales and accounting staff with instant access to invoicing information so they can quickly and easily determine which orders need to be settled.

“Previously, we entered invoice details from our order processing system into our accounting application each day, which was time-consuming and prone to errors,” said Mall. “Now, orders are saved automatically in one system, which saves time and makes it easier for staff to finalize accounts.”

### **Standard Purchasing System Reduces Wastage**

Mallcom buys raw materials, such as leather, chemicals, and additives to make safety shoes; fabrics, trims, and accessories for body protection; and plastic material and nonwoven fabric for safety helmets and respiratory face masks.

Previously, the company ordered products on an ad-hoc basis and managed them using disparate spreadsheets. Oracle Purchasing enabled the company to centralize the system and set up a list of standard suppliers.

“We now have an integrated system that generates an electronic purchase order and forces staff to order from a standard list of suppliers,” said Mall. “This enables our procurement team to negotiate better deals with our suppliers, which will probably help us to reduce spending by 3% to 5% immediately and more than 7% in long run.”

### **Manufacturing Process Streamlined**

Mallcom’s leather and shoe manufacturing divisions use Oracle Discrete Manufacturing to track the flow of raw materials, such as leather used to manufacture gloves, through the production line. This ensures information is immediately available to each department involved in the process. Previously, this information was recorded in separate spreadsheets.

“For example, if we receive an order for 60,000 pairs of leather gloves, the system helps us track the exact amount of material that is needed during the cutting, stitching, finishing, and packing stages of manufacturing,” said Mall.

“Each piece of material is tracked throughout the production process, and we have a complete view of our raw material, work in progress, and finished stock levels. This ensures that all our raw material is being utilized, which helps keep manufacturing costs under control.”

Mallcom plans to deploy Oracle Enterprise Asset Management to track the effectiveness of machines used to manufacture its products and determine exactly when equipment needs to be serviced. “For example, we run about 500 stitching machines and currently have no record of how many of these machines have been sitting idle, serviced, or replaced over the past six months,” said Mall.

“Oracle Enterprise Asset Management will tell us which machines are being underutilized, how many units they are producing, and when they need to be serviced. This means our equipment will be put to better use and last longer.”

### **Why Oracle?**

Mallcom selected Oracle due to the vendor’s track record of successful enterprise resource planning (ERP) deployments with other garment manufacturers across India. The company also looked at Microsoft Navision and a locally-produced ERP suite.

“CSA Consultants had knowledge of our business and had completed similar deployments previously, which gave us the confidence that the implementation would be a success,” said Mall. “Oracle E-Business Suite is a centralized, integrated ERP application that can be implemented easily and will scale as our company expands.”

### **Implementation Process**

Initially, CSA Consultants’ technical staff transferred data from Mallcom’s existing accounting application to Oracle E-Business Suite, and ran a feasibility test to ensure Oracle E-Business Suite worked well with the company’s existing business processes. CSA Consultants leveraged Oracle Business Accelerators during the implementation to provide Mallcom with a rapidly configured baseline instance of Oracle E-Business Suite, equipped with leading industry best practices.

Subsequently, the conference room pilot with the core users at Mallcom instilled confidence that the new system worked well with the company’s business processes.

The Oracle system was deployed at Mallcom’s leather manufacturing division in November 2010. Over the next two months, E-Business Suite was implemented at the company’s trading unit, Mallcom Safety Pvt Ltd, and the GLV and UAD divisions.

Oracle E-Business Suite will be deployed across Mallcom's remaining five business units by April 2011. CSA Consultants provided staff training, and will soon be developing customized reports that are unique to Mallcom's business.

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