Eureka Forbes . Board presentation . SAP@EFL . Value proposition . Continuous Business Improvement

Whitepaper.

Mobile Infrastructure & Supply Chain positioning

Enabling Eureka Forbes Limited....

.....a Best-Run Business on SAP



10th November, 2008

Eureka Forbes, Headquarters, Mumbai.

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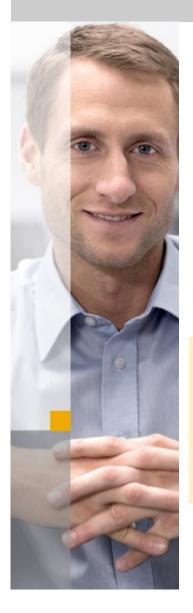
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Why are we here today?





- Eureka Forbes Limited (EFL), with a unique business model involving a combination of direct sales, dealers and institutional sales, went live on SAP three years back
- EFL senior management invited SAP to study the existing application landscape, solution implementation and challenges faced by different parts of its business
- Our efforts were focused on understanding the following key areas
 - Challenges in the existing implementation where value could be unlocked
 - EFL's strategic business imperatives for the next 3-4 years
 - Operational challenges and comparison with peers to articulate what will be required from an IT perspective to meet those challenges to create additional value for EFL
- This study summarizes the working team's findings and presents a consolidated report for your organization

This study primarily addresses the following questions:

- What are the current business pain points and opportunities?
- Issues in the current implementation, usage of existing systems and how can these issues be addressed to unlock more value
- How can SAP help Eureka Forbes move towards best practice business processes by addressing current business process and technology-related issues?

SAP IT Road Mapping Engagement for Eureka Forbes Limited: Team



Executive Sponsorship

- Suresh Goklaney –Managing Director
- A V Suresh President Direct Sales
- J N Ichhaporia Sr. VP Finance
- Marzin Shroff Sr. VP Strategy
- Aslam Karmali CEO Consumer Div
- Harsimran Singh Sr. VP HR & OE

- Ranjan Das President & CEO, Indian sub-continent
- Debdeep Sengupta VP,
 Mid-market Enterprises
- Deb Bhattacharjee VP,Value Engineering

Program Management

- R Ganguly VP Service
- Milind Karur Sr GM IT
- R S Moorthy AVP Accounts
- Vinay Parab DGM HR
- Anjali Murthy DGM
- Subhashis De Sarkar

- Kiran Pradhan Regional Director
- Ujjal Chakraborty Principal (Consulting)
- Neeraj Athayle Director, Solutions
- Manoj Bantia Buz Develop (Consulting)
- Amandeep Singh Bhan Value Engineering
- Amol Deshpande, Solution Engineering
- Sudesh Kuckian Business Manager

Engagement Participants



Key Interviewees and interviewers of the Discovery Worksl	nop (From Eureka Forbes and SAP respectively)		
Mr. Goklaney – Managing Director	Ujjal Chakraborty – Principal Consulting		
Mr. A V Suresh – President, Direct Sales	Neeraj Athalye – Director Solutions		
Marzin Shroff - Sr. VP, Strategy & Business Dvpt.	Manoj Bhantia - Business Development , Consulting		
Vijay Kumar Raman – Director & CEO, Aquamall	Sudesh Kuckian – SAP India Account Executive		
R Ganguly - VP	Amol Deshpande – Solution Engineering - Manufacturing		
Vinay Parab – Dy. GM, HR	Rahul Joshi – Solution Engineering - Service		
Ashok Advani – Asst. Manager , IT	Indranil Som - Value Engineering		
Anjali Murthy – Dy. GM	Amandeep Singh Bhan – Value Engineering		
P.S. Sukumar – Dy. GM, Knowledge Management	Munish Agarwala – Solution Engineering – Finance		
Jamasp Icchaporia – Sr. VP, Finance, Accounts, Legal	Umkanth Singh – Consulting MI		
S K Palekar – Sr. VP , Marketing	Vakul Jain – SAP Consulting FICO		
Aslam A Karmali – CEO, Consumer Division	Kiran Pradhan – Regional Director		
Harsimran Singh – Sr. VP, HR & OE	Saket Jha – SAP India		
Milind Karur – Head, IT	Sheejo Arvind - Value Engineering		
Subhashis Sarkar – Sr. Manager , Commercial	P Rajesh – SAP Consulting HR		
R S Moorthy – AVP, Accounts	Shantibushan Suryavanshi – SAP India Technology		
Kavitha Gandhi – GM, Accounts	Chandrashekar Sundaraman – Consulting MI		
Mr. Kumbathkone - Logistics	Mehul Shah – Dashboard & BOBJ specalist		

Agenda







→ SAP Deployment Value Proposition - Summary

Key Benefits Of Deployment

Areas Of Improvement

Impact Of Fine-tuning

Identified Risks

Next Steps

SAP analysis approach



Understanding of Industry Dynamics

- Industry and solution resources
- Product development resources
- Management consulting resources with Consumer Durables & Appliances industry experience

Triangulated
Approach to Deliver
"Outside-in" Analysis

Leveraging of Industry and SAP Benchmarks

- Industry best practices
- SAP benchmarks and typical benefit ranges
- Customer references

Analysis of Company Issues

- Analyst reports
- Executive presentations
- Industry research
- Recent publications

Eureka Forbes': key findings



- Eureka Forbes is engaged in the manufacturing of domestic and industrial water purification systems, vacuum cleaners, air purifiers & security solutions
- Eureka Forbes a pioneer in direct marketing is part of the Shapoorji Pallonji Group
- The company operates in over 92 cities in India with a direct sales force of 6,000 employees
- The company reported a revenue growth of 16.8% in FY 2006-07, over the previous financial year
- Eureka Forbes seeks to achieve its performance goals by:
- Driving revenue growth by expansion into smaller towns and launching products for the mass market
- Achieving operational excellence
- Company and peer group analysis illustrates significant value potential of the above strategy

- SAP believes its solution is distinctly qualified to enable Eureka Forbes to execute its strategy, resulting in a significant near-term impact combined with long-term strategic alignment:
- Near-term: Capture annual benefits of ~ INR 9.7 Cr – INR 15.7 Cr while providing lowest total cost of ownership from the following areas:
- Customer Relationship Management
 - Sales Force Management
- Product Life Cycle Management
 - New Product Development and Introduction
- Business Intelligence
- Supplier Relationship Management
- Supply Chain Management
- Long-term: Deep commitment to the Consumer Durables & Appliances industry ensures continued development and excellence

Source: Company website, SAP Analysis

Recent Developments for Eureka Forbes





Source: SAP Analysis

Recent Developments

- Eureka Forbes announced the formation of Infinite Water Solutions Ltd as a joint venture with GE Water & Process Technologies, to bring safe, reliable and affordable water solutions to the Indian residential market
- The JV Infinite Water Solutions will begin manufacturing GE's reverse osmosis membranes at its manufacturing facility in Dehradun. This will be one of the first of its kind manufacturing facility in India
- Eureka Forbes announced the launch of a mass market product called Aquasure, starting at a price of INR 1,880, the product is targeted at the lower income segment
- Eureka Forbes plans to sell 50,000 units of Aquasure in the first year itself and plans to increase its distribution footprint to 1600 towns in India, over the next few years
- The company recently entered into a technology tie up with US-based HaloSource for the Aquasure product
- Eureka Forbes adopted a new distribution strategy, with plans to tap new retail channels to sell its products. Its retail division is now extending its products to chemists, canteen stores department and general merchandise stores to reach out to households which do not use water purification devices

Our understanding of Eureka Forbes' strategic goals



Create Enterprise Value

Drive Revenue Growth

- Double customer base to 6 million plus users in the next five years. Increase reach to 60 million homes
- Aggressively expand into rural markets and SEC B&C towns
- Launch new and innovative products to match the needs and price of different consumer segments, especially products suited to the lower income segment
- Increase the penetration by tapping newer channels for distribution, such as chemists, canteen store departments and general merchandise stores
- Expand distribution channel for industrial sales
- Look for overseas expansion in the regions of Middle East, Europe and Africa

Achieve Operational Excellence

- Focus on optimum quality through continuous efforts to strive for continual improvement
- Focus on employee training and development and establish cordial and constructive relationships with workers
- Continue improvement of in house R&D facilities to provide a complete solution to meet customer' needs
- Increase effectiveness of various company processes through improvement in the technology environment

Source: Company Website; SAP Analysis

Move the Needle - Eureka Forbes vs. peers



	Peer Worst	EUK	REKA FORBES		Peer Best
Revenue Growth (TTM, 1 Yr.)	Videocon Industries	-2.8%	16.	22.8%	Usha International
Operating Margin ²	AB Electrolux	4.4%	6.5%	11.6%	Videocon Industries
Revenue per Employee ³	Eureka Forbes	0.1 Cr		1.2 Cr	AB Electrolux

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What moving the needle could mean to the Eureka Forbes:

- Every percentage point increment in revenue growth~ INR 0.5 Cr in incremental operating income
- Every percentage point increment in operating margin~ INR 7.4 Cr in incremental operating income
- Every additional INR 100K in revenue per employee~ INR 4.5 Cr in incremental operating income

Note 1: Trailing Twelve Months (TTM) financials ending march 2008 for all companies have been considered except Eureka Forbes(March, 2007), Usha International (March, 2007), Videocon (September, 2007), Electrolux(Dec, 2007)

Note 2: Operating Margin for Eureka Forbes has been calculated as (Profit before depreciation/ Sales)

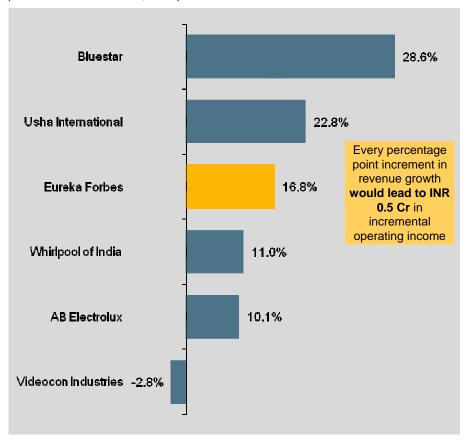
Note 3: Revenue Per Employee: All numbers are (INR, Cr), Usha International has not been included in the analysis due to availability of data. Eureka Forbes numbers taken from website Eureka Forbes 's peer group includes: Whirlpool of India, Usha International, Bluestar India, Videocon Industries, AB Electrolux Source: Annual Reports, Company Website, Onesource

Eureka Forbes' peer analysis: revenue growth



Revenue Growth¹

(% Over Previous Year, TTM)



Key Observations

- The penetration of water purifiers in India is estimated to be around 2.5%. The INR 1,400 Cr market is growing at CAGR of 12-15 percent. Similar growth is expected in other segments like vacuum cleaners, air purifiers and security systems
- Eureka Forbes, which commands almost 70% of the market, is expected to maintain strong growth rates. It faces strong competition from new players such as Whirlpool, Usha, Unilever
- Eureka Forbes could further increase its growth rate by;
- Better lead management, through automated qualification of prospects available from various sources and rule based distribution to direct sales force
- Better territory management, through optimized coverage of sales territories, using attributes like geography, product lines and customer accounts
- Cutting down its time to market for new products, through effective coordination between people, processes and information leading to extended market share
- Improved insight into customer data, leading to profitable segmentation and increased revenue
- Potential areas of opportunity include:
- Customer Relationship Management
 - Sales Force Management
- Product Lifecycle Management
 - New Product Development & Introduction
- Business Intelligence

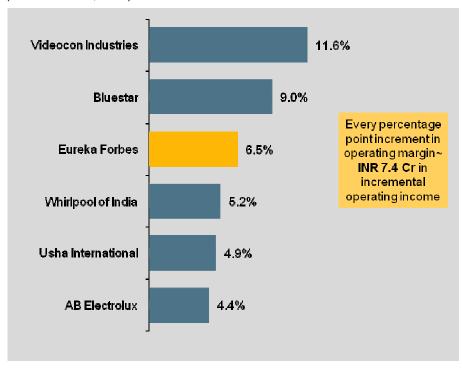
Note 1: Trailing Twelve Months (TTM) financials ending march 2008 for all companies have been considered except Eureka Forbes(March, 2007), Usha International (March, 2007), Videocon (September, 2007), Electrolux(Dec, 2007) Source: Company Website, Annual Reports, Onesource, SAP Analysis

Eureka Forbes' peer analysis: operating margin



Operating Margin

(% of Revenue; TTM)



Key Observations

- Eureka Forbes has a lower operating margin as compared to its peers primarily due to its direct sales force which leads to large sales overheads
- Eureka Forbes, however, also plans to employ the retail channel extensively for distribution in future
- The company aims at covering 1,600 towns through 7,500 retail outlets
- The industry, overall is at a nascent stage and the competition can only grow, thereby squeezing margins further
- Eureka Forbes could further increase its operating margin by:
- Improved supply base management to identify new suppliers, evaluate existing suppliers and work on improving supplier performance leading to lower sourcing costs
- Implementing collaborative planning forecasting and replenishment among its network of partners for a fast and efficient supply chain, which would also help in a cost efficient roll out across cities
- Better service parts order processing, for greater visibility into parts availability, shipping status, helping make complaint processing faster and more efficient
- Potential areas of opportunity include:
- Supplier Relationship Management
- Supply Chain Management

Note 1: Trailing Twelve Months (TTM) financials ending march 2008 for all companies have been considered except Eureka Forbes(March, 2007), Usha International (March, 2007), Videocon (September, 2007), Electrolux(Dec, 2007)

Source: Company Website, Annual Reports, Onesource, SAP Analysis

Key opportunities to support Eureka Forbes' strategy



Key Strategic Goals

Key Areas of Opportunity

Key Value Drivers

Drive Revenue Growth Customer Relationship Management

anagement

Business Intelligence

Achieve Operational Excellence

Product Life Cycle Management

- Shorten sales cycles, increase win rates, maximize sales force productivity and wallet share, and reduce cost of sales
- Improve customer loyalty and retention by tailoring services to their needs and increasing service revenues and profitability
- Boost the efficiency of company interaction center by increasing call volume per agent, optimizing staffing levels, minimizing response times, while increasing customer satisfaction
- Increase the effectiveness of marketing initiatives and lead generation
- Turn the Internet into a profitable sales and interaction channel
- Enhance visibility of customer activity and market insights
- Perform scenario analysis regarding new geography expansion and new market opportunities
- Enable the use of alerts to identify revenue anomalies and take corrective action
- Identify customer satisfaction issues, revenue opportunities or revenue issues using analysis of unstructured data
- Increase efficiency of reporting, consolidation and analytics
- Seamless support of the entire life cycle, from idea management to service management
- Superior support for new product development and introduction from ideation to product delivery with full support
- Consistent information across functions and locations to reduce downstream errors and rework
- Monitoring of key budget, schedule, and staffing metrics for proactive management

Key opportunities to support Eureka Forbes' strategy



Key Strategic Goals

Key Areas of Opportunity

Key Value Drivers

Drive Revenue Growth

Supplier Relationship Management

- Reduced supplier costs through competitive bidding and best-value award decisions
- Improve procurement productivity and forecast accuracy
- Reduce indirect spend through collaborative planning
- Increased internal service levels, by collaborating closely with other business functions, and by reducing the cycle time to complete sourcing processes
- Automated compliance processes to ensure realized savings on procurement agreements

Achieve Operational Excellence Supply Chain Management

- Gain insight into supply available to service demand across the network hierarchy to improve service levels
- Align demand forecasts with key demand shaping events including promotions, anticipated price moves
- Create an exception-based "Inventory Monitoring" process to prevent supply shortfalls at any stage
- Supports all modes and means of transport
- Improve operational decisions through KPI management that is timely and spans the entire ecosystem

Eureka Forbes' estimated annual benefit is between INR 9.7 Cr – INR 15.7 Cr



All the values are in INR Cr

Potential Annual Benefits:

INR 9.7 Cr

INR 15.7 Cr

Conservative Estimate
Likely Scenario

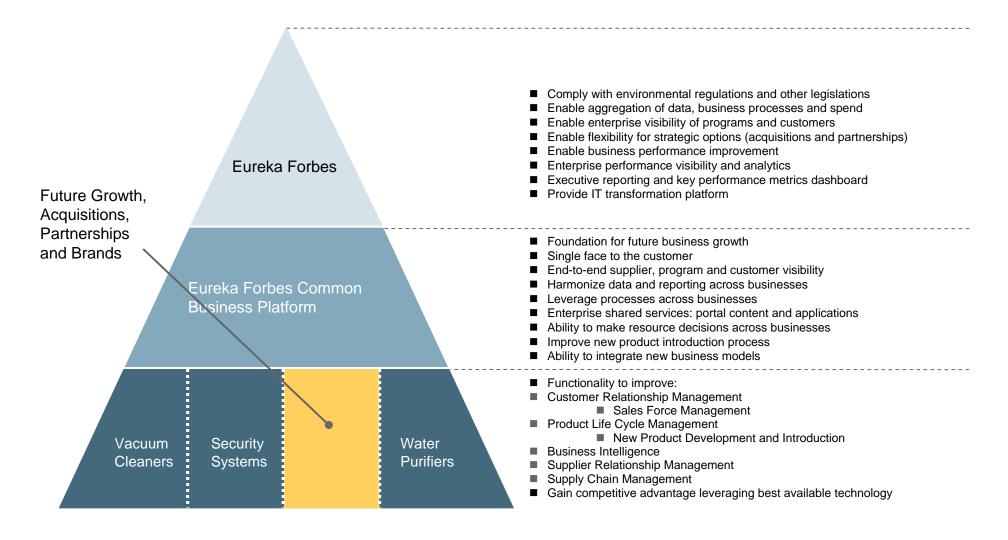
Customer Relationship Management	5.2 Cr	8.4 Cr
Improved Sales Productivity	2.7 Cr	4.1 (
Improved Marketing Effectiveness	0.7 Cr	1.1 (
Improved Product Cross/Up Sell	1.0 Cr	1.4 (
Improved Service Productivity	0.6 Cr	1.3 (
Reduced Customer Service & Support Costs	0.2 Cr	0.5 (
Product Life Cycle Management	1.6 Cr	2.2 Cr
Reduced Time to Market	0.4 Cr	0.5 (
mprove Product Design/Development Function Efficiency	0.1 Cr	0.2 (
Reduce New Product Design/ Development Administrative Costs	0.1 Cr	0.1 (
Improved Revenue Contributions from New Products	0.4 Cr	0.6 (
mprove Product Profit Margin	0.3 Cr	0.4 (
Reduce Product Development Costs	0.3 Cr	0.4 (
Business Intelligence	0.9 Cr	1.3 Cr
Reduced Recurring Spend on Enhancing Intelligence and Analytics Infrastructure	0.5 Cr	0.8 0
mproved Integrated Reporting and Analytics fficiency	0.1 Cr	0.1 (
mproved Standard, Non-Standard and Ad-hoc Report seneration Process	0.3 Cr	0.4

Supplier Relationship Management	1.1 Cr	2.5 Cr
Reduced Direct Material Spend	0.8 Cr	1.6 Cr
Reduced Maverick/Unmanaged Spend	0.1 Cr	0.2 Cr
Increase spend managed strategically(Indirect Materials)	0.2 Cr	0.7 Cr
Supply Chain Management	0.9 Cr	1.3 Cr
Improved Planning Productivity	0.2 Cr	0.3 Cr
Reduced Premium Freight	0.1 Cr	0.2 Cr
Reduced Transportation Costs	0.4 Cr	0.6 Cr
Benefits due to Inventory Collaboration	0.1 Cr	0.1 Cr
		0.1 Cr

Note 1: Analysis is directional in nature; Access to specific pain points and data will be required to develop more accurate estimates Source: SAP Analysis

A common business platform can help support Eureka Forbes ongoing growth





SAP value proposition for Eureka Forbes' International



Enable Business Strategy

- Drive Profitability & Operational Excellence
- Boost Customer Satisfaction
- Improve Visibility & Speed
- Focus on Profitable Customers and Services

Speed to Tangible Benefits

360° Visibility

Enabling Eureka Forbes'

Strategy

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360° Visibility

360° Visibility

- INR 9.7 Cr INR 15.7 Cr of annual benefits using SAP solutions, with potential for further benefits
- Leverage standardized, industry-specific processes
 - Leverage experienced resources and extensive artner ecosystem
 - ver a platform that is scalable for growth

Integration & Infrastructure

- Collaboration and analytic tools to support user productivity
- Seamless integration to analytics and predefined analysis configurations
- Rapid integration to other applications through integration exchange hub
- Ability to run on all major platforms and databases
- Largest 3rd party supporting tool ecosystem

CPG Industry Solutions & Large CPG Customer Base

- Industry specific functionality to meet key retailer demands
- Large development pipeline to deliver future retailer requirements
- Collaboration with suppliers and active customer user base
- Leverage best practices existing in the software and the customer base

Current Deployment The foundation for excellence and innovation



Production

- Planning
- Execution
- Quality management

Procurement

- Material Management
- Inventory Management

BI, KM



Sales & Service

- Sales & Distribution
- Customer Service

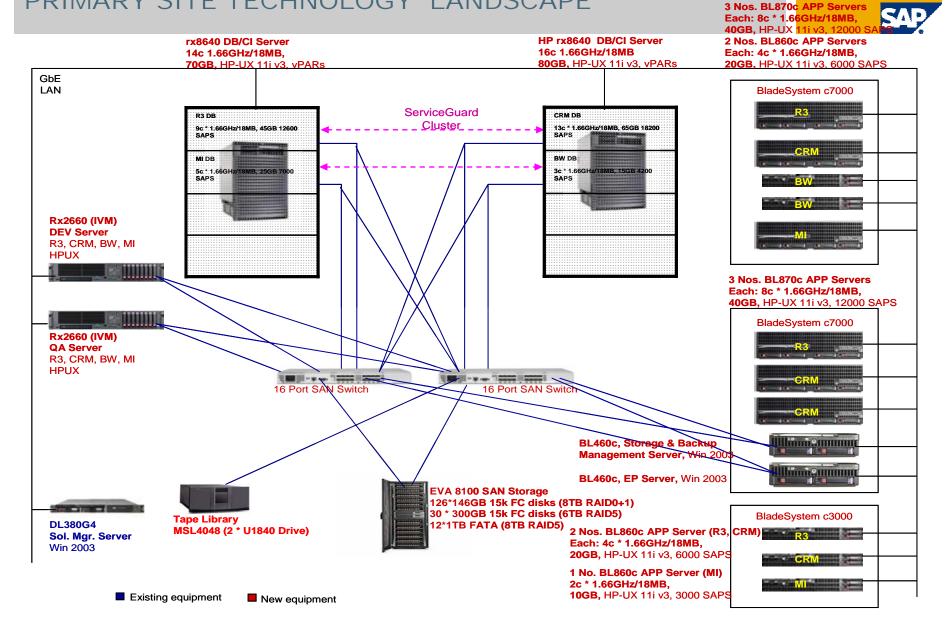
Finance

- Financial Accounting
- Revenue & Cost Controlling
- Cash Management & Funds flow statements (Standard SAP Process and Report only)
- Fixed Assets

CRM, MI

- Marketing
- Sales
- Customer interaction center
- Mobile Sales

Eureka Forbes': PRIMARY SITE TECHNOLOGY LANDSCAPE



Current Deployment Geographical spread



Location	Call Center	CRTC (Training Center)	Corp.	Jammu a 2 89 kashmir CRC	BP	War e hous e	Sales Office	RO	Area Offic e	Euro Con nect	Fact ory
Mumbai	1	1	laryana Par	10	90	1	3	1	1	1	
Delhi	1	1		8	110	1	Arunacher Prade	, 1	1	1	1
Chennai	1	1	Rajusthar 17.19	5	40	15	84443m	1	1	1	
Kolkata	1	1		8	60		echaro 3 to Manipur	1	1	1	1
Bangalore	1	1	Gugara	degini d ir.	40	2	Mac am	1	1	1	1
Ahmedab ad	1	1	lumba 2	3	30	/1	Kolkatal 3.61		1		
Pune		1	37.55	2	25	- Chhattiso	2		1		
Hyderaba d		1	Go. 27.	10 Š nciiva	20	1	Dort Blair Andamae 0.36		1		1
Jaipur		1	Karnata	2	Cher 10 10,49	emen ema fei 1	a (India)	1	1		
Cochin		1	30.22	10	10	1	3		1		
Baddi			Kerals	20.37		j. <u>1</u>	***				1
Total	6	10	3	46	435	12	29	6	9	5	5

Agenda



SAP Deployment Value Proposition - Summary



→ Key Benefits Of Deployment

Areas Of Improvement

Impact Of Fine-tuning

Identified Risks

Next Steps

Business Benefits

SAP has demonstrated business benefits

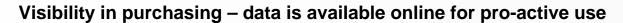




Manual consolidation of accounts across 15 packages is now done easily with SAP



Benefits in processing of payroll – errors have reduced drastically





Acting at PO level – post –correction has been completely eliminated

Automatic Bank reconciliation has reduced workload



System of preparing monthly profit estimates and MIS is now streamlined



Information on debtors is now available online

Control accounts has been simplified in a big way



Consolidation activity has reduced – earlier it was 15/20 days of activity

Business Benefits

SAP has demonstrated business benefits





3 month rolling forecast – 1 month fixed entered into SAP leading to Materials planning (partly)



Purchasing has initiated pricing records for vendor material combination, leading to rationalization of purchase pricing. MM module is used quite in detail.



Manufacturing data is now available for past few years which can be used for trend analysis in time study improvement.



Automatic consumption of raw materials based on 'back flushing' is now enabled resulting in reduced time for consumption reporting



SAP is used at Business Partners & CRCs, which has increased the reach of data in the EFL IT ecosystem.



Integration across the modules of production, sales and purchase has resulted in real time inventory visibility in ERP

Agenda



EFL SAP Deployment Overview

Key Benefits Of Deployment



→ Areas Of Improvement

Impact Of Fine-tuning

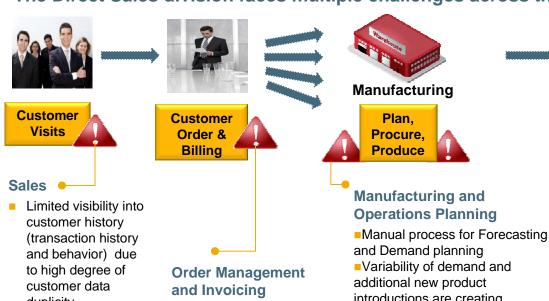
Identified Risks

Next Steps

Key pain points across the value chain -**Direct Sales**



The Direct Sales division faces multiple challenges across the lifecycle of a sales order



duplicity High days sales Unable to do territory

sales mapping Tracking of customer visits, follow-ups, and improving productivity of sales team is a challenge

outstanding No Credit check & block based on customer current accounts key date balances

- introductions are creating additional pressure on the supply chain
- Quality management is not used to its maximum, tracking cost of quality is an issue Controls over Purchase order
- approvals based on value of procured goods is an identified need, not in SAP.



Logistics,

Delivery,

Install





Customer Service & Support

Logistics •

- Distribution & Transportation planning is manual resulting in miscommunication across stock points & extra costs
- High level of inventory across the supply chain - more than double the mandated level
- Finished goods and raw material out-of stock situations are frequent

Customer Support

- Unavailability of the correct customer details prevents rigorous follow-up and service quality
- AMC details are not within the system leading to cases where out of warranty service is provided

Reporting and Analytics: Need for executive level dashboards to enable real-time decision making

Human Resource Management: Need for talent management, improving value productivity of field force, skill set tracking and enhancement Finance: Problems in consolidation of data across different profit centers, profitability analysis at SKU level is a challenge, Financial control needs to be strengthened. Product costing is currently executed manually on excel sheets

Key pain points across the value chain - Customer Service

Ujwal to validate

The Customer Service division faces multiple challenges across the lifecycle of a customer request









Call Assigned





Diagnosis;

Issue Spares





Service Request

Inbound Call to Help Desk

- Verification of customer warranty is a manual process
- No accurate information on BP, iBase history
- Data redundancy & no mechanism to figure out BP duplication recognition
- No outstanding contact resolution case history
- No empowerment of Agents to offer exchanges, rebates, coupons & discounts

Call Assignment

- Fall in closure rates as no leverage is taken from target group identification from Mktg call list.
- No means to assign customers to BP proactively at their preferred times & preferred channels
- Not able to leverage critical 360-degree view of opportunity
- Not able to impact wallet share by X and up selling products & services
- No procedure in place to measure agent efficiency, load-factor

Spare Parts Management

- High waiting times because of missing material or delivery.
- No Optimization of stock according to usage and no automation for procurement for best price & quality
- BP service groups have no access to ATP check & reservation at task planning, so no exact determination of reparation time and availability of stock at point of execution decision to exchange or repair can not be made immediately from point of view of spares availability

Dispatch and Delivery

- No shipment plan, optimization and link to corresponding TO processing in WHM.
- No cross docking, multi-pick, multi drop and cost optimization in transportation lanes for distribution planning.
- No real time availability check & credit check for risk exposure at point of liability booking during goods issue & delivery.
- Liability booking at receiving plant not happening for stockin-transit. This leads to imbalances in COA & incorrect valuation of goods with longer month end period closing.

Billing and Collections

Billing and Collections

- Debtor tracking and responsive dunning for DSO operations.
- No Credit check & block based on customer current accounts key date balances.
- Disparate manual offline Recon account clearing & payment advice processing, leads to sufficient delay in month end closing procedures.

Supply Chain Management & Manufacturing



Improvement areas

- Manual process for Forecasting and Demand planning probable reason is change in product mix in a one month fixed and three month rolling plan
- Variability of demand and additional new product introductions are creating additional pressure on the supply chain
- Distribution & Transportation planning is manual resulting in miscommunication across stock points & extra costs
- Inventory control required at different points in the chain raw material, finished products as well as spare parts inventory are more than expectations
- Quality management is not used to its maximum, tracking cost of quality is an issue
- New product introduction process takes time to stabilize, thus resulting in quality issues. Variants of products are multiple, rationalization could help
- Controls over Purchase order approvals based on value of procured goods is an identified need, not in SAP.

Solution Enablers

- Forecasting & Demand management
- New product development & introduction
- Inventorymanagement
- Qualitymanagement
- Release strategy in Purchasing

Source Eureka Forbes Interviews, SAP Analysis

Sales & Service



Improvement areas

- All Sales Call made by the field force needs to be captured in the System. (SAP CRM Sales Force Management)
- Daily Activity Report, Order Forms and Installation needs to be captured. (SAP CRM Sales Force Management)
- Territory mapping Function Location
- Quality Check to be invoked.
- Lead management and customer data validation by all the calls made by Direct Sales, CRR and Service Team.
- Direct Sales should operate only on two data capture points i.e.. DAR and Order Form hence avoid multiplicity of data capture points.
- Effort, efficiency and effectiveness required at all level of Direct Sales.
- Tracking customers with competitors product
- Product-wise / SBU-wise sales trend on quarterly/ half yearly basis

Solution Enablers

- Sales ForceManagement
- Qualitymanagement
- CRMMarketing
- Trend analysis

Source Eureka Forbes Interviews, SAP Analysis

Finance



Improvement areas

- Profitability Planning & Analysis is required to be performed at a product SKU /sales area/manufacturing location etc.
- EFL has not implemented Product Costing using cost component structure
- Cash Forecasting for the divisions at a company level is a need in today's situation
- Transfer pricing between stock points and knockoff mechanism at company level is currently manual
- Adjustment entries between the legal entities in EFL group are required for
 - Adjustment of mark up on sales made to group company
 - Unrealized profits on unsold stocks lying with group company
 - Loss on movement of inventory in group company
 - Difference in depreciation methods adjustments followed in different companies.
- Financial planning & budgeting is not performed in SAP due to lack of a tool for
 - Production Planning
 - Sales quantity and sales revenue planning
 - Product Cost and Overheads planning
 - Head count Planning

Source Eureka Forbes Interviews, SAP Analysis

Solution Enablers

- ProfitabilityAnalysis
- ProductCosting
- Cash FlowManagement
- Business Area derivation
- SAP-BusinessPlanning &Consolidation
- Integrated
 Financial
 planning

SAP Mobile Infrastructure & CRM



Improvement areas

- Thick EFL Servicing Plant related Inventory transactions should be moved into core ERP. Move Inventory related core transaction into ECC & give portal access to distributors to one central repository of inventory truth.
- Thick EFL Servicing Plant related Service transactions should be moved into core ERP. iBase creation, commissioning, repetitive preventive cyclic service plans, warranty/contract breakdown services which are dependent on Servicing Plant/work-center related heavy transactions should be left in base core ERP/CRM system & only thin transactions like alerts/status changes of transaction should be kept in MI Apps.
- Finance related core transactions for collections, cash/jv month end processing, credit processing should not be done thru Z-developments in NW-MI. Finance related credit/access-control, collections/JV, month end processing transactions should be left in base core ERP FICO system & GR/CC should be deployed for FF/Access control & compliance control related issues for distributors.
- Supply chain related Availability-Check & reservation related core planning transaction should be decoupled from MI application. Only status of such checks & alerts should move in/out of MI Apps.
- Report Access & publication in MI Client should be restricted.

Solution Enablers

- SAP ERP
- SAP CustomerRelationmanagement
- SAP SupplyChainManagement

Source Eureka Forbes Interviews, SAP Analysis



	Module	Pain Areas	Alternates/Solution recommendations
		No central tool for monitoring for Java stack / Alert	CCMS & CUA configurations to be leveraged for central monitoring
		monitors for ERP&CRM systems.	SolMan3.2 to SolMan4.0 upgrade recomended,
1	Technology/Basis		Use SMD/Diagnostics for Loadtest & use of RootCauseAnalysis.
		High Data base growth	Basis Performance & Security Audit recomended .
			Review EFL disaster recovery procedures & deployment of correct
2	Technology/Basis		archieving strategy
			Migrate to Db2e database . testing should be done on a pilot site for
3	NW-MI	reset/reinstallation of client at distributor end.	performance gains before rolling out .
		Inconsistency in data ,	Upgrade the Tomcat, MI client, JDK version based on MI 2.5 SP19
4	NW-MI	removal of unpredictablity in data synchronisation.	version so server and client software are in sync
		BP Duplication recognition & MI BAPI wrapper	Introduce BP Message in application home page. This is one way
5	CRM-BP	messaging errors	message posted by system (can be posted by EP side also)
6	NW-MI	Scalability & performance issues	Scalability/ performence issues will get solved by MI 7.1 upgrade.
	ERP-MM.	Thick EFL Servicing Plant related Inventory transactions	Move Inventory related core transaction into ECC & give portal
7	NW-MI	should be moved into core ERP.	access to distributors to one central repository of inventory truth.
	ERP-SD/CS	Thick EFL Servicing Plant related Service transactions	iBase creation, commissioning, repeatative preventive cyclic service
	NW-MI	should be moved into core ERP.	plans, warranty/contract breakdown services which are dependent
			on Servicing Plant/work-center related heavy transactions should be
			left in base core ERP/CRM system & only thin transactions like
			alerts/status changes of transaction should be kept in MI Apps.
8			
	ERP-SD/FI	Finance related core transactions for collections, cash/jv	Finance related credit/access-control, collections/JV, monthend
	NW-MI	monthend processings, credit processing should not be	processings transactions should be left in base core ERP-FI-CO
		done thru Z-developments in NW-MI.	system & GR/CC should be deployed for FF/Access control &
9			compliance control related related issues for distributors
	ERP-FI/CO	EFL is doing Product Costing offline using cost	SAP Controlling module is very strongly integrated with all other
		component structure in excel sheets on estimations	modules to provide actual product costing by giving breakup of
		basis as of now	material cost and overhead cost seperately along with price and
			usage variances between planned and actual cost.
			EFL should implement the product costing module inorder to get
			actual cost of production for every finished/semifinished goods from
10			the SAP system



	Module	Pain Areas	Alternates/Solution recommendations
	ERP-FI/CO	EFL not getting accurate Profitability analysis at SKU &	EFL should implemented COPA to get profitability analysis , which
11		group level of product Category/hierarchy .	can be further enhanced using BI reporting.
	ERP-FI/CO	Business area derivation is not configured to meet the	BA derivation need to be redefined at plant and sales area
		business requirement of inventory at division level within	combination level to give inventory break up at every division level
12		in a plant.	to give complete profit and loss position at that level.
	ERP-FI/CO/MM	Stock is transfered to wharehouses at cost plus mark-	transfer price mechanism can be used as a option to get the
		up but system is not designed to give stock valuation for	correct stock valuation at every level CO-CC/PC accounting is
13		balance sheet purpose. This is being done manually	recommended for EFL .
	ERP-FI/CO	EFL has many legal entities in Eureka group and lot of	SAP Business Consolidation solution using SEM-BCS module
		cross company code transactions including stocks	provides step level consolidation as per Indian GAAP for multiple
		transaction happen between them. Hence consolidation	group companies as well as its subsidaries.
		at group level is very immportant as it needs lot of	This will enable EFL to consolidate finacials at group level as per
		adjustment entris . viz	leagal requirements not just every year but every month for internal
		A. Adjustment of mark up on sales made to group-co	reporting purpose.
		B. Unrealised profits on unsold stocks at group-co	
		C. Loss on movement of inventory in group company	
		D. Difference in depriciation methods adjustments	
14		followed in different companies.	
	ERP-FI/CO	EFL is not using any financial planning or demand	SAP provides BW based Integrated Financial Planning which will
		planning tool for ,	help EFL to carry out complete annual planning with flexibility and
		A. Production Planning	rolling forecast.
		B. Sales revenue planning (Qty & Value)	
		C. Product Cost and Overheads planning	
		D. Profitability Planning	
15		E. Head count Planning	
	ERP-PP/MM/SD	Supply chain related Availability-Check & reservation	EFL Supply Chain Planning related business processes should be
	APO-	related core planning transaction should be de-coupled	addressed by APO-DP/SNP/GATP components ,
	DP/SNP/GATP	from MI application. Only status of such checks & alerts	while Planning execution & reservations should be in core ECC.
16		should move in/out of MI Apps.	



	Module	Pain Areas	Alternates/Solution recommendations
	NW-BI-SEM	EFL does not have system to take care of their	SAP Strategy Management (SSM) for Balanced scorecards, SAP
		Forecasting, Budgeting, Planning, Legal and	Business Planning & Consolidation(BPC) for Budgeting Planning &
		Management Consolidation and Statutory reporting	Consolidation is recommended for EFL strategy to execution
17		requirements	seemless integration requirements.
	NW-BI-SEM	EFL TopManagement Executive Dashboards	BOBJ . SAP advises complete business involvement in the
			investment effort involved in creating these EFL topMgmt executive
18			scorecard & dashboards
	NW-BI-Reports	Report Access & publication in MI Client	Role based portal (EP) access should be provided for all strategic,
40			Tactical & Transactional decision support reporting requirements to
19		data eviation in EDD/CDM eviation has issued with	EFL distributors .
	NW-BI-Reports	data existing in ERP/CRM system has issues with	EFL should leverage SAP provided standard generic extractors for
20		custom delta update extractors & are using full-loading for asynchronous updates	all extraction, transformation & loading/staging requirements.
20	NW-MI	In case of multiple BPs sync. Contact Sys Admin	Based on sizing & how many concurrent connections for peak
	INVV-IVII	EFL wait for some time and repeat sync.	load are permitted , can be addressed through Basis ICF & ABAP
21		Li L wait for some time and repeat sync.	stack configuration.
21	NW-MI	Master data does not flow in Clnt Apps in next sync.	In MI application modeling, can be solved by changing replication
	1400-1011		model. MI Zee development needs to be reviewed to handle this.
00		flows to MI	will require detailed study of "current sync BO" implementation
22	NW-MI	Many reports cannot made available in MI due to less	Essential reports can be sent from Server to client directly.
	1444-1411	transactions stored in MI client (< 35 Days)	Extensive reporting is not suggested on MI offline client. Online
23		transactions stored in Mi Chefft (< 35 Days)	portal (EP) system should also be used to see complete report.
20	NW-MI	All options in SAP, like inventory transactions not	Two level object hierarchy is the only known design constrain.
		configured due to MI design constraints. Viz,	These can be worked around by splitting the deep nested object
		found defective, consumables replaced for AMCs.	into multiple objects. MI7.1 has no design constrains.
		two transactions need to be done	σ
		first , create AMC then sync. &	This is not required as MI is capable of Key fulfillment, if
		then ,wait for AMC# and do the activity	dependent or related record is created for new record. MI takes
			care of first committing the parent data to ECC/CRM, and on
			conformation put the key back in related record before sending it
24			to ECC/CRM. It does not require any Zee-coding in application.



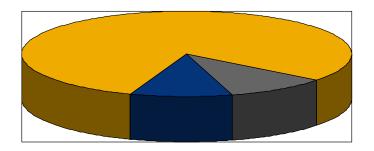
	Module	Pain Areas	Alternates/Solution recommendations
25	ECC-HR	Eureka Forbes is creating OM master data in terms of objects and relationships as well as account assignments in a manner which is normally done for configuration – by creating it on the development server, saving it in a transport request and then moving it to quality and production.	The reason stated for this is the changes at any point is not getting adjusted in system because of the vary nature of the system configuration using excessive custom relationships. This needs to be optimised to the minimum number, and the rest can be made as attributes to the related object and enabling them to be inherited by the related object from the upper level.
26	ECC-HR	HR org units are created in the system, while there is no such unit . These are considered as dummy units.	a complete restructuring of the OM is suggested, in order to get an optimum Organisation structure and reporting sturcture, with integrations to other areas like SD and FICO
27	ECC-HR	EFL has created appraisals on BSP and have created an application to render these to the employees. Appraisals are configured, but due to the lack of an employee facing interface, a custom application is developed and the appraisal process is manipulated to access the data from this custom application.	new functionality delivered on Webdynpro in EHP4 for ERP6.0 is recommended for this part of the solution.
28	ECC-HR	EFL has developed custom application for reimbursements, which is developed for incentive payment of the sales personnel. This has a huge impact on the OM structure which is defined.	This needs to be relooked as the standard reimbursement functionalities on ERP 6.0 with ESS access can be used instead this OM resource constraining development. Further deep dives is necessary & recommended.
29	ECC-HR	Standard training and event management module is configured. But this doesn't have an employee facing interface and hence the booking details/nominations etc are collected in hard copy and is forwared to the admin team. This is then uploaded in to the SAP.	This can be avoided using LSO functionalities. This will help EFL to come out of the limitations imposed by the time and money consuming class room mode of training and expand to the web based training and online test modes. This will also reduce the cost incurred on the training and development front.
30	ECC-HR	The employee pay slips are generated and then it is e-mailed to the employee using a custom functionality.	This can be avoided using the standard functionality in ESS, where the employee will be able to see his/her online payslip and download as and when required
24	ECC-HR	The processes of PA such as change in employee masterdata etc is time consuming in the present system as they are initiated manually, details are collected in hard copy and then uploaded into the system. This adds to the admin effort.	This should be very well replaced by the standard functionalities available in ESS.
31	ECC-HR	Travel related functionalites are happening outside the system and then the final resluts are uploaded in to FI module.	travel-functionality, viz travel request, travel expenses report, approval and settlement etc should be done using the standard SAP functionalites of ESS.

How will the solution address current status?



Of the current issues discussed at a high level the summary of our assessment is as follows:

Critical Issues Discussed	32
% of issues that can be resolved through upgrade, implementation of existing modules and new modules and standard configuration	80%
% of issues that can be resolved with workarounds	10%
% of issues that cab be resolved with customization	10%



Process / procedural improvements



Improvement areas

- Revisit master data management procedures, realign them to ensure consistency and integrity of data (especially customer master data and material master data)
- Enforce discipline using planning tools & methods using SAP processes like Budgeting, Cash Forecasting, Sales Forecasting, Sales & operations planning, Materials Requirements Planning etc.
- Identify under utilized areas/modules & implement them. Ensure best use of available functions & reports in SAP. This will lead to an enhanced & appropriate SAP usage.
- Focus on adapting to changes in the organization in terms of skills & knowledge to bring about effective change management. As necessary, conduct User level awareness training of "Dos" & "Don'ts" coupled with control monitoring procedures at managerial levels
- Development of SAP-based Procedures manual as guidance to work in SAP for key business processes.
- Ensure controlling mechanism in the new environment & focus of key factors for successful implementation of SAP
- Consider options of leading business practices in other industries to be implemented to add a competitive edge to the business e.g. Centralization of key functions, Supply Chain initiatives, review Transfer pricing, etc.
- Identify key personnel with a attitude to accept and drive 'Change' in the organizations as champions for the ERP implementation project
- Review the acceptability factor of the new systems and procedures in the existing working and management personnel

Source Eureka Forbes Interviews, SAP Analysis

Technical Architecture → Issues & Recommendations



Improvement areas

- Performance of ERP system.
- Performance of CRM system
- No central tool for System Monitoring & Alert Mechanism available.
- Java based system can't be monitored.
- High database growth
- Data existing in ERP/CRM system has issues with custom delta update extractors & are using full-loading for asynchronous updates

Solution Enablers:

- CCMS configurations for all the central monitoring.
 Alerting mechanism through CCMS can be configured
- Performance & Security Audit for detailed analysis of all the system. Database statistics update regularly with proper options selected.
- Solution Manager Upgrade from Solman 3.2 to 4.0.
 Solution Manager Diagnostics to be configured for Java system. End-To-End Root cause analysis can be configured on Solution Manager
- Central User Administration (CUA) can be in leverage.
 Functional team along with Technical team to study the database growth and suggest actions.
- EFL should leverage SAP provided standard generic extractors for all extraction, transformation & loading/staging requirements.

Source Eureka Forbes Interviews, SAP Analysis

Key Opportunity areas - for a better future





Key Opportunities

- 1. Business Planning & Budgeting & Consolidation
- 2. Supply Chain Management
- 3. Enterprise-wide visibility
- 4. Master data management
- 5. Governance, risk & compliance
- 6. Training & Knowledge management
- 7. Call center excellence
- 8. Employee Self Service

Key Opportunity areas - for a better future

II

II

II



- Business Planning & Budgeting & Consolidation
- 2. Supply Chain Management
- 3. Enterprise-wide visibility
- 4. Master data maintenance
- 5. Governance, risk & compliance
- 6. Training & Knowledge management
- 7. Call center & Service excellence
- 8. Employee Self Service

















SAP Business Planning & Consolidation using BI & BOBJ

SAP Supply Chain Management – Demand Planning, gATP

SAP Business Objects – xCelsius, Dashboards, Portal

SAP Master Data Management – for customers & materials (incl. spares)

SAP GRC – Access controls & process controls

SAP RWD – Training Infopak – SAP transaction recorder

SAP Business Communication
Management – Replaces Hardware in
Call center, integral part of SAP CRM
SAP ESS/MSS – Portal based
transactions including workflow for
employees

Agenda



EFL SAP Deployment Overview

Key Benefits Of Deployment

Areas Of Improvement



→ Impact Of Fine-tuning

Identified Risks

Next Steps

Examples of Optimization



Optimization Type	Example of area impacted	What will drive value in this area?	Benefits for EFL
Solution Optimization	Master Data Management	 Standardization of the approach to manage master data across the enterprise with least effort path to requests, submission and approval of master data creation and change processes Defined standards around all data processes namely Extraction, Cleansing, Consolidation, Distribution, Governance and Creation 	 Improve marketing consistency through the use of a single source of customer and product data Reduce time spent by customer service personnel on resolving invoice disputes and other complaints arising out of lack of product data synchronization with retailers
Process optimization	■ Business Planning, Inventory planning	 Reduces cycle time for the planning and budgeting processes and improves user productivity Provides additional time to analyze product level performance Gaining visibility across the supply network leading to improved demand accuracy and decreased inventory levels 	 10-15% reduction in inventory 15-20% improvement in productivity of employees involved in planning
Architecture Optimization	■ IT architecture	 Continuous control and monitoring of the system Review of EFL disaster recovery procedures & deployment of correct archiving strategy 	Improved performance of the ERP, CRM and MI systems in terms of response rate and speed

Value Delivered with Business Innovation for consumer product companies



Integrated Sales and Marketing

ConAgra, Kimberly-Clark, Brother, Colgate-Palmolive Supply Chain Management (Lean, Demand Driven)

Nestle, Colgate-Palmolive, Procter & Gamble, General Mills, Cadbury

Tangible Benefits*	% Impact
Revenue	
Increase in sales: promotion & turn Reduction in out-of-stocks	3-5%
Reduction in out-of-stocks	10-40%
Operating cost	
 Reduction in fund overspend Improvement in trade spend efficiency 	0-5% 1-10%
 Reduction in forward buying Fewer deductions 	5-10% 40-70%
Reduction in manual work	15-20%
Working capital	
Reduction in inventory levels Reduction in re-allocation of FG	3-5% 10-20%
Reduction in outstanding payments	5-40%

Tangible Benefits*	% impact
Revenue Increased fill rates – reduce OOS	3-10%
Operating cost	
 Decreased inventory carrying costs 	10-20%
Increased production efficienciesDecrease freight costs	1-5% 5-15%
 Improved personnel productivity 	7-12%
Obsolescence/waste reduction	35-50%
Working capital	
Reduction in inventory levelsImproved asset utilization	7-15% 10-15%

^{*} Source: Benchmarks from SAP Value Engineering and SAP customer experiences

Value Delivered with Productivity Enhancements for Consumer Product companies



Enterprise Resource Planning

Human Capital Management

Finance

Information Technology

Kellogg's, Procter & Gamble, Scotts, Coca-Cola Enterprises Nestle, Coca-Cola Enterprises, Procter & Gamble, Scotts All SAP CP Customers

Tangible Benefits*	% impact
Operating cost	
 Improved HR staffing productivity Enhanced employee self-service Enhanced manager self-service Improved payroll processing Enhanced eLearning 	15-35% 25-45% 15-40% 15-75% 25-50%

Tangible Benefits*	% impact
Operating cost	
 Improved Budgeting Improved consolidation Improved financials staffing Enhanced closing and calculation times Improved reporting 	15-45% 35-80% 5-9% 10-15% 5-10%

Tangible Benefits*	% impact
Operating cost	
 Improved IT Staffing Decreased legacy systems and interface costs Reduced application development 	8-12% 10-30% 10-30%
costs Decreased IT reporting costs	25-75%

^{*} Source: Benchmarks from SAP Value Engineering and SAP customer experiences

SAP ERP, CRM Success Story: Colgate Palmolive





COLGATE-PALMOLIVE

New technology, such as SAP, has given Colgate a competitive advantage. We have been a leader in using SAP software to drive business efficiency and to make more information-based decisions in real time. Now we are starting to achieve savings from a second generation of applications that capitalize on SAP's capabilities outside the supply chain, in areas such as marketing, customer service. demand forecasting, human resources and others.

Bill Shanahan, President, Colgate 2003 Annual Report

PROCESS IMPROVEMENT GOAL

- Create a stable, sustainable transaction backbone
- Enable global standardization
- Improve retail service levels
- Increase responsiveness
- Leverage newer applications to push best-practices across the business, create continuous improvement.

WHY SAP WAS SELECTED

- Stable transaction platform integrated nature of the information platform.
- Global presence / deployment experience
- Ability to use applications across multiple businesses, geographies.
- Valued the benefits of strategic partnership

SAP PROJECT OVERVIEW

- An early adopter of SAP in 1994, the initial focus was on creation of a stable transaction platform in the areas of finance, manufacturing operations and order-to-cash.
- As SAP has expanded software capability, Colgate has traditionally been an early adopter in areas such as:
- Demand planning to supply network planning, to demand-driven supply network management
- Call center management, to trade management, to integrated sales and marketing
- Implementation in 50+ countries

PUBLISHED PROCESS IMPROVEMENT SAVINGS

- Colgate has published numerous mentions in it's annual reports since 1997 of the ability to operate at a reduced operational cost (i.e., most often mentioned in reduced COGS) due to their use of SAP as a primary information source.
- Improved order fulfillment to 95%
- Reduced cycle times from 5 days to 1 day for VMI replenishment

KEY PROJECT LEARNINGS

- Phased rollout validated process improvements and benefits
- Business process changes that preceded implementation were necessary

RISK MITIGATION STRATEGIES

- Organizational commitment
- Clear definition project strategies and resources required
- Early identification of risk factors

SAP CAPABILITIES IMPLEMENTED

- Executive reporting and analytics
- Integrated supply chain planning
- Supplier collaboration and relationship management
- Call centers
- Business Analytics
- Field Sales / Account Management
- Portfolio Management
- Trade Promotion Management (in Pilot Phase)

STAGES OF PROCESS IMPROVEMENT

- 1994 –Implemented SAP R/3 to establish global business platform
- 1999 Deployed SAP Supply Chain Management to support global supply chain initiatives- continuing to implement new aspects of supply chain management – moving towards Demand-Driven Supply Network capability.
- 2001 Implemented SAP CRM Sales, Analytics and Call Center

SAP ERP, CRM Success Story Success Story: Kelloggs



*The difference	 PROCESS IMPROVEMENT GOAL Move to common information platform to enhance ability to run a global business. Synchronize Kellogg's global supply chain Reduce time to market for new products Improve corporate margin performance 	 KEY PROJECT LEARNINGS Business-driven, not IT driven. Location by location deployment led to helped speed implementation Senior executive level support and engagement was critical to success
now is that IT is not the only driving force. We do not have IT projects, we have	 WHY SAP WAS SELECTED Perceived 'best in class" functionality across a broad range of business functions Experienced implementation resources Early success at Keebler Cited as one of top 5 reasons for acquisition by Kellogg's in 2001 – given prior failed attempts with other technologies. 	RISK MITIGATION STRATEGIES Needed to source the project with the right number and type of people Project required experienced IT and support staff Reliance on technology and implementation partners
have business projects." Ray Shei Chief information Officer for Kellogg,	PUBLISHED PROCESS IMPROVEMENT SAVINGS Keebler was able to reduce IT development staff headcount by 50% and redeploy into business. Closely held results and Kellogg's continues to invest in SAP	SAP CAPABILITIES IMPLEMENTED Base transactions systems (i.e., finance, order-to-cash, procure-to-pay, manufacturing). Supply chain management Customer collaboration Sales & Operations Planning Product Lifecycle Management Business Analytics eCommerce Sales and Management Reporting
	STAGES OF PROCESS IMPROVEMENT 1994 – Implementation of R/3 at Keebler 2001-2003 – Deployed SAP to all business units of Kellogg's North America 2004 – Expanded SAP coverage to Europe with a 6 month implementation	

SAP ERP, CRM Success Story: Kimberly-Clark



Mimberly-Clark

"We turned to SAP to help us develop a solution to enable and support our marketing processes.... This new marketing automation will allow us to spend less time on mundane tasks and more time innovating and growing our brands."

Kent Willetts, Vice President -- Global Brand Equity, Family Care, Kimberly-Clark

PROCESS IMPROVEMENT GOAL

- Move to process-driven organization
- Standardize enterprise processes
- Create customer-driven organization

KEY PROJECT LEARNINGS

- Knowledge Transfer very important
- Substantial commitment of K-C resources 40% IT- 40% Business- 20% Consultants
- Vanilla SAP- Work with SAP to fill in the gaps

WHY SAP WAS SELECTED

- End-to-end process integration
- Standardized processes
- SAP's strategic development program for demand planning, CRM and NetWeaver
- Dedicated senior implementation resources

SAP CAPABILITIES IMPLEMENTED

- Executive reporting and dashboard
- Integrated supply chain planning
- Supplier collaboration and relationship management
- Call centers
- Internet sales
- Financials and HR administration
- Brand Management (co-development partner)

SAP PROJECT OVERVIEW

- CRM, supply chain and shared services
- 22,000 users worldwide
- Implementation in 36 countries

PARTNERSHIP WITH SAP

SAP took over custom development for strategic functionality

- Enhancements to demand planning, supply chain planning and transportation planning
- Co-development of marketing resource management solution
- Brand management and consumer promotion management
- New product innovation with improved time to market
- eSignature for FDA compliance

PUBLISHED PROCESS IMPROVEMENT SAVINGS

- More than \$50M annually on purchased materials
- More than \$10M annually on European shared services

RISK MITIGATION STRATEGIES

- Global System Office- Monitored timeline & Budget
- ASAP Methodology
- Consultants used as subject matter experts and sources of Best Practices

Success Story for MDM: Whirlpool



WHIRLPOOL

Key Challenges

- Inadequate data synchronization, resulting in slow partner communications and updates, inaccurate item definitions, and credit errors
- Inability to deliver consistent, accurate information to partners, due to 17 separate product information databases

Project Objectives

- Implement an integrated solution to deliver consistent product information through UCCnet (now part of 1SYNC) to all trading partners
- Implement a 3-phased approach to data synchronization: compliance, business process improvement, and collaborative optimization

Why SAP® Solution

Support for emerging Internet standards and Web services, enabling more efficient business communications

Implementation Highlights

- Established working relationships with multiple divisions
- Emphasized needed changes to business processes
- Presented opportunity to standardize data
- Provided potential to develop data in new, consumer-focused way

Key Benefits

- Reduced errors, due to elimination of manual tasks and spreadsheets
- Streamlined sales processes
- Improved efficiency company-wide
- Enabled accurate reporting
- Enhanced supply chain and order execution
- Improved ability to quickly introduce new products
- Decreased trade partner setup time

To provide the same, consistent product data to its worldwide retailers and partners, the Benton Harbor, Mich.-based Whirlpool Corporation publishes its global trade item data on UCCnet - the global data pool for product information. In order to consolidate this data, the global manufacturer of household appliances turned to the SAP NetWeaver® platform.

"Nobody has to make a phone call; no one has to check data entry. There are no more mistakes based on bad entry of information. All data is shared across all systems, and it all comes through a Web service."

Jim Shimp, Senior Director of Global Application Development, Whirlpool Corporation

Success Story for MDM: Ericsson





"We found that 40% of the orders were getting stuck at some point, because of mismatched master data"

Roderick Hall, Senior Project Manager, Ericsson

- Initial situation: about 200,000 suppliers worldwide in SAP and non-SAP systems
- Result of consolidation with MDM: 130,000 suppliers
- Foundation for global spend reporting in SAP BI in place
- Finding: more efficient control of customer master data required
- Plan: extend the project to product master data
- MDM supports Ericsson's corporate strategy: central data storage for all Ericsson companies worldwide

Global telecommunications equipment provider

- Sales of approximately €17 billion
- Approximately 63,000 employees worldwide

Product categories

 Ericsson delivers mobile and broadband end-to-end solutions to network operators and services suppliers all over the world

Architecture

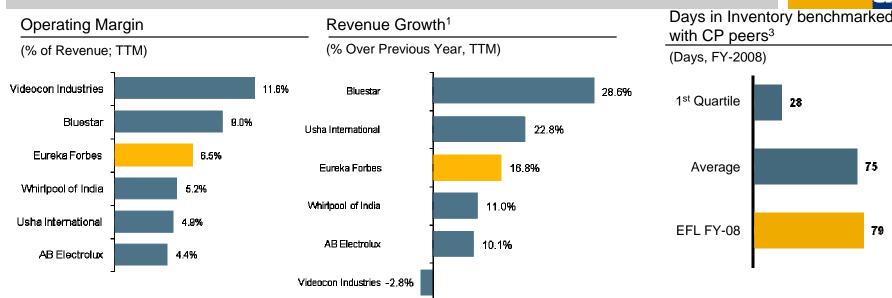
- SAP ECC 5.0 / SRM System for more than 95 companies
- SAP R/3 4.6C / SRM System for large companies in Sweden and China
- Approximately 40 local (non-SAP) systems

Comparison with peers indicate opportunities to improve processes

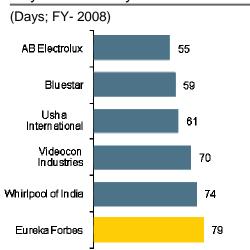


75

79



Days in Inventory²



Supply Chain Performance Drivers

- 1% increase in demand visibility directly correlates to 2% increase in perfect order accuracy
- Companies that are Best-in-class in demand forecasting average 15% less inventory, 17% higher perfect order fulfillment, 35% shorter cashto-cash cycle time while having 90% lesser stock-outs compared to peers

Note 1: Trailing Twelve Months (TTM) financials ending march 2008 for all companies have been considered except Eureka Forbes(March, 2007), Usha International (March, 2007), Videocon (September, 2007), Electrolux(Dec, 2007)

Note 2: Eureka Forbes DII has been calculated on Rs. 150 Cr of inventory Source: Company Website, Annual Reports, Onesource, SAP Analysis

Note 3: Peer group - Global consumer products companies participating in SAP/ASUG

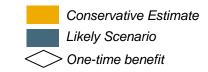
Supply Chain Planning Benchmarking Study

Significant Value Creation Potential for Eureka Forbes



Potential *Annual* Benefits:





Supply Chain Management	Rs. 2.1 Cr	Rs. 3.3Cr
Reduced Inventory (one time)	Rs.17Cr	Rs.26Cr
Reduced Inventory (recurring benefits)	Rs.1.7Cr	Rs. 2.6Cr
Reduced Inventory write-offs/obsolete inventory	Rs. 0.2Cr	Rs. 0.24Cr
Reduced transportation and logistics related costs	Rs. 0.2Cr	Rs. 0.4Cr

Sales and Service	Rs.0.6 Cr	Rs.1.0 Cr
Increase in operating profits due to increase in customer loyalty with overall service improvements, better cross-sell, up-sell	Rs.0.5Cr	Rs.0.8Cr
Reduced contact centre management costs, improved efficiency	Rs.0.1Cr	Rs. 0.2 Cr

Enterprise wide visibility	Rs. 1.0 Cr	Rs. 1.4 Cr
Increased profitability through better insight into profitability at various dimension levels	Rs.0.4Cr	Rs. 0.5Cr
Reduction in Report creation, Ad-hoc Query and Analysis and Report Accuracy Verification	Rs. 0.3Cr	Rs.0.4Cr
Improved employee and manager self- service	Rs. 0.30Cr	Rs. 0.5Cr
Financial Management & Compliance	Rs.0.4 Cr	Rs.0.6Cr
Reduced DSO (One-Time)	Rs.1.6Cr	Rs.4.0Cr
Improved Financial Management	Rs.0.4Cr	Rs. 0.6Cr

Note: This analysis is directional in nature

Source: Interviews with EFL, Income statement, SAP Analysis

Agenda



EFL SAP Deployment Overview

Key Benefits Of Deployment

Areas Of Improvement

Impact Of Fine-tuning



→ Identified Risks

Next Steps

Risks identified & Mitigating factors





CBI Projects normally possess the following risks & can be mitigated by

- Project do not take off, cannot sustain, lose importance midway
 - Top management commitment, involvement and usage
 - Project management & governance
 - Adherence to methodology
 - Resources are not adequate/available/cannot take important decisions
 - Availability of best people full time for the project
 - Core team empowerment
 - Sustenance of the implementation upto grass root level is always a challenge
 - Training & enablement



EFL SAP Deployment Overview

Key Benefits Of Deployment

Areas Of Improvement

Impact Of Fine-tuning

Identified Risks



→ Next Steps

Eureka Forbes': Next Steps



SAP Proposes a Phased approach to meet the business requirements of EFL



Phase 1: Technical & Functional

Upgrade with implementation of key

additional modules



Phase 2: Implementation of new modules for

enhanced functionalities

Eureka Forbes': Next Steps



Next Steps:

- 1. Conduct Pre Business Blueprint Workshop for Detailed Process understanding and estimating effort required to upgrade the process to a standard configured solution / work around
 - Proposal for Pre Business Blueprint Workshop SAP
 - Agreement with EFL on the commercials and timelines SAP + EFL
 - Finalize availability dates of consultants and key business users SAP + EFL
 - Conduct the workshop SAP
- 2. Develop a detailed project plan with realistic effort required to complete the technical and functional upgrade
 - Assessment Report Approach to each process, whether the same would be addressed through standard configuration or work around or customization
 - Proposal detailing the realistic effort and timelines
- 3. Start Technical & Functional Upgrade

Thank you!





