Business Process Mapping and ERP Vendor RFP Preparation for leading Saudi Arabia-based Paper Manufacturing Company

SITUATION

With the increasing size and scale of operations, the customer, a leading Saudi Arabian paper manufacturer, was finding it difficult to get an integrated view of group operations. The existing IT systems were inadequate, reporting was primarily spreadsheet driven, barring a few key departments like Finance, which used a custom-developed application.

IMPACT

The existing custom-built IT applications were facing scalability issues and were insufficient to fulfill key business requirements due to limitations of technology.

RESOLUTION

ITC Infotech conducted a detailed study of current business processes, developed and documented future state business processes incorporating several industry best practices, several policy level changes, improved risk & control mechanisms, developed a detailed methodology to evaluate potential ERP vendors, prepared a Request for Proposal (RFP) for ERP implementation.

The Customer

The customer is one of the leading integrated paper recycling-manufacturing-converting companies based out of Saudi Arabia. Through its three main companies, the customer manufactures hygienic soft tissue rolls, converts jumbo tissue rolls to final consumer products such as napkins, paper towels, toilet paper etc., and recycles paper waste. It also runs wholly owned paper collection and recycling operations across GCC countries such as United Arab Emirates (UAE), Morocco, Bahrain, Jordan and Algeria.

The Need

Within just two and a half decades since inception, the customer has grown from being a mere off-shoot of a private company to one of Saudi Arabia's leading integrated paper manufacturing companies with seven wholly owned subsidiaries. However, the existing business processes and the associated IT applications were not scaling up to the desired extent, thereby affecting business operations. Furthermore, the necessity of a single ERP system across all business units was getting important. The customer was looking for a partner to conduct a detailed study of the business processes, suggest improvements and associated IT alignment, and help in creating a Proposal document for ERP application vendors. The services of ITC Infotech's Business Consulting Group were engaged for the same.

The Solution

Business Process Mapping, ERP Vendor Evaluation, RFP Preparation

ITC Infotech's Business Consulting Group (BCG) interacted with the customer to understand their business criticalities and, accordingly, chalked out the requirements for the consulting engagement. These included delivering Future State Business Processes to document 'As-Is' and gap analysis, bring in industry best-practices and other improvement principles for 'future-fit' processes, and define the 'To-Be' business processes. The detailed 'To-Be' process definition resulted in significant reduction in time & effort in the 'blueprinting phase'; with very good clarity and minimum iterations. We suggested due-diligence of IT landscape, improvement roadmap, and identified the functional and technical requirements of the processes from the ERP application; and created a detailed RFP document for ERP application and defined ERP package and vendor evaluation methodology.

In accordance with the Business requirement, the two-step engagement approach was devised. This included Business Process Documentation and Technology Alignment and Preparation of Request for Proposal (RFP).

Business Process Documentation (As Is, To Be) and Technology Alignment

Once the requirements were finalized, the team initiated the first step - understanding and documenting the current business processes. The processes spanned multiple functions, including Production, Purchase, Quality, Sales, Supply Chain Planning, Warehousing and Wastewater treatment. A major challenge that we encountered at this stage was the unclear definition and documentation of processes. Further, the team had to handle skepticism from senior managers, as the customer had no prior organizational experience in dealing with large IT implementation.

Having overcome these initial hiccups, the team developed detailed As-Is Process Maps for the identified processes and also the supporting documentation. As a result, the Business Process Master List (BPML), a repository of current business processes was created.

The team then conducted a critical analysis of current business processes in the light of the customer's current business requirements and the expectations. An attempt was also made at this stage to conduct a detailed analysis of the customer's current IT landscape and how it was aligned to the business processes. The analysis revealed significant gaps and necessitated a major streamlining of business processes.

Armed with critical process insights, the team went
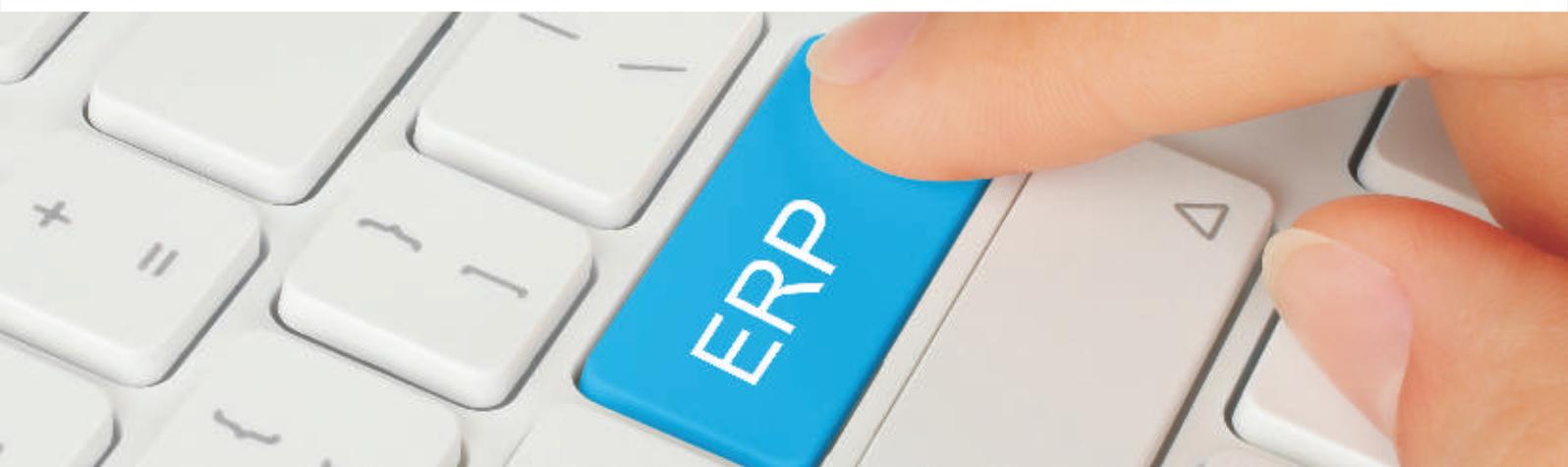
about streamlining the business processes using the classic BPR methodology, which looks at Process Streamlining from multiple dimensions. These include:

- Lean / Six Sigma Approach: Employed value stream mapping to identify Non Value Add (NVA) activities which are key process bottlenecks

- Automation View: Employed 4-field process mapping approach to develop Process Maps for all identified business processes. Further, ways and means of automating business processes and the associated IT / system requirements are identified

- Performance Management View: Aligned process objective with overall business objectives and defined the process metrics (Key Performance Indicators) to measure process effectiveness

- Reporting and Analytics View: For each individual process, the Reporting and Analytics requirements were identified

- Process Risk Management: Identified potential process risks and the measures to mitigate the risks

- Policy Management: Identified opportunities to strengthen policies (aligned to processes) or incorporate new policy changes decided by senior management

RFP Creation

The Business Process Blueprinting exercise helped the BCG team in identifying the requirements of the IT Systems (primarily the ERP system) required to support the future state business processes. Detailed functional and technical requirements checklists were prepared and validated with the customer. Based on these checklists, the credentials of potential ERP vendors who could assist the customer were prepared. Further the team presented a detailed Vendor Evaluation Methodology which could assist the customer in the critical task of short listing the ERP vendor.

As a last leg in the consulting engagement, a detailed, ready to rollout Request for Proposal (RFP) document was prepared and submitted to the customer. As a value added offering, the team suggested a holistic approach to prepare for ERP Implementation.

Business Benefits

Given that the BCG team operated on a very strict timeline of 9-10 weeks for the entire engagement, it delivered value which was beyond the expectations of the customer. Key takeaways from the exercise include:

- Detailed process documents (process maps, definitions, KPIs, Reports, people structure, functional requirements) for more than 147 processes for the three divisions.

- Standardization of key processes – Planning, Finance & Control, HR, Maintenance, Safety & Security, Reporting etc

- Standardization of processes of branches in KSA and abroad for each business unit

- Specific localization requirements in processes (HR, Payroll, Finance etc)

- Customizations specific to the business model – production execution, demand planning, Sales & Operations planning etc

- Defined good-practices in several areas – Maintenance, Sales and Operations (S&OP) Planning etc, bringing expertise from Paper industry experiences

- Challenged the customer's management in several of their current activities – KPIs, Policies & procedures, finance & control, costing, integrations etc

- An exhaustive and detailed list of functional and technical requirements of the ERP system, classified as 'Group level' and 'Business Unit level'

- 'To-Be' organization structure, including creation of shared services in HR, procurement and finance

- Recommended changes / addition / deletion of several policies and procedures

- A very robust risk and control checks in each process/activity

- A scientific way of evaluating and selecting ERP package & vendor

- Suggested a list of initiatives that the customer needs to do before and during ERP implementation for best value realization

- Advised on the IT organization structure for the customer during and after ERP implementation

ITC Infotech's Business Consulting Practice

The Business Consulting Group (BCG) at ITC Infotech is a converging point for business & IT solutions. We aim to transform business performance, bringing a strategic perspective on process improvement and IT enablement. Our team blends domain experts and consultants, bringing unique capabilities to discover and resolve business concerns of the day.

Our expertise spans Consumer Goods, Retail, Process Industry, Logistics & Transportation, across key business functions such as product development, production, supply chain management, sales and marketing management, field force management, and customer relationship management.

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