

Faaber Paints, a top manufacturer of paints in the Asian continent, makes the right choice with e•chain.



“Change in financial year struggle is over. [The] entire supply chain is streamlined with e•chain. e•chain support is rated H+, anytime support team was there to help. e•chain helped in reducing the inventory level by 15%. e•chain helped in reducing the customer balance from 4 crores to 2.5 crores. Management gets direct access to all data through the web. Employee productivity has gone higher.”

Samuel,
Sr Plant Manager

e•chain Customer:



Chennai, India

www.asianpaints.com

Industry:

Process Manufacturing

**CHAIN-SYS
Products / Services:**

e•chain

Faaber Paints Pvt Ltd (FP) is a subsidiary of **Asian PPG Ltd**, one of the leading manufacturers of Paints. Faaber Paints deals in the production of Epoxy Primers, Synthetic Enamel Topcoats, 2K Epoxies, Acrylic Metallic, High Temperature Paints and Thinners.

The Faaber Paints has 3 types of business verticals to serve their customers:

Faaber Paints Pvt Ltd: Deals with all normal business transactions that impact the financial process.

Faaber Paints – APPG: Deals with the subcontracting work. The raw materials, machinery, and fine chemicals are supplied by Asian PPG (APPG). The production process is actually accomplished at Faaber. The materials are delivered back to APPG against the invoice, which includes Excise Duty, basic Sale Price as per APPG, and applicable Freight. These invoices are not taken as a receivable. Faaber raises a Debit note for the total processing charge for the month, which is then considered as a receivable for Faaber.

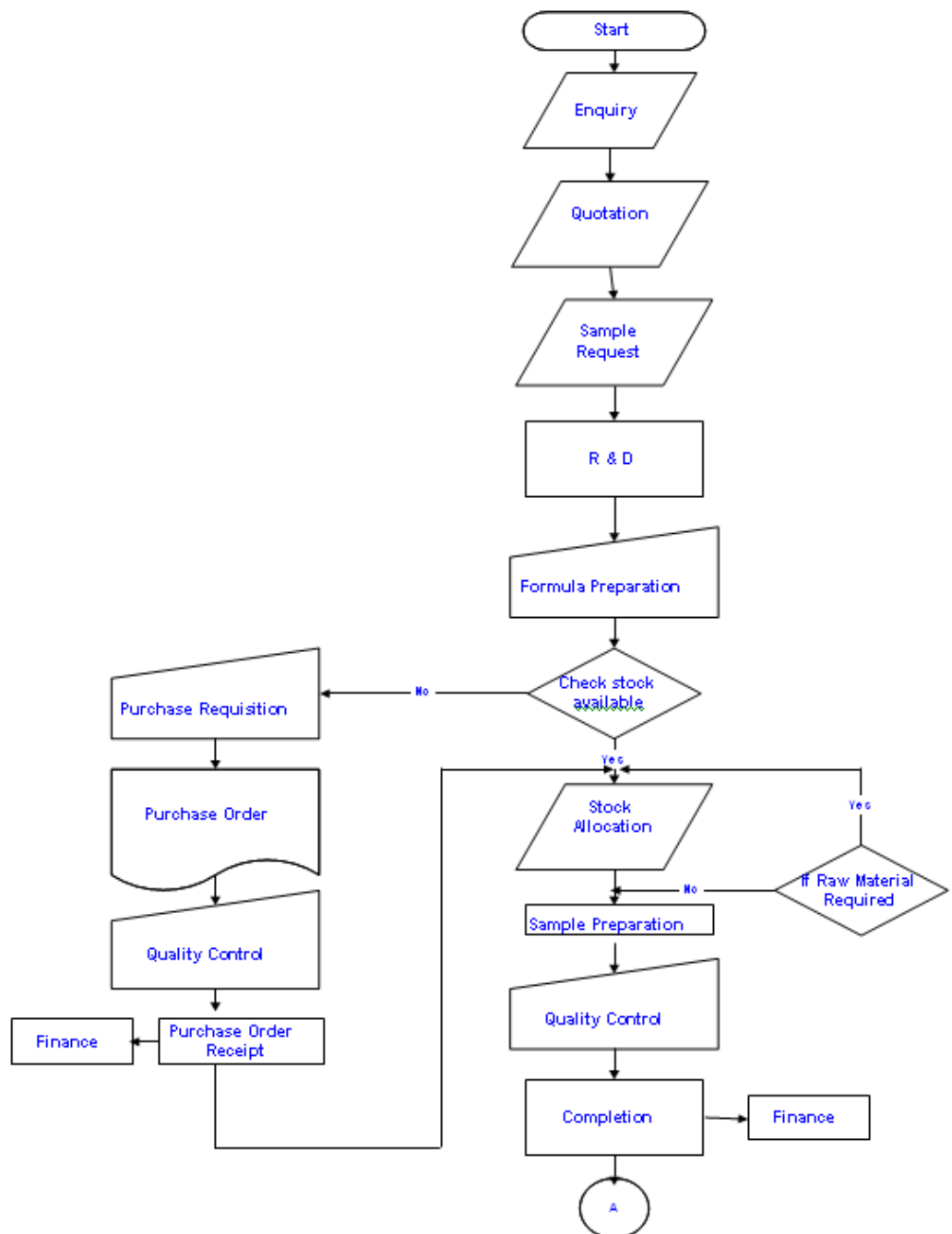
Faaber Paints Applications: This unit deals with job work. The components are received from the customers, then painted and sent back to the customers against an invoice. The raw materials required for the paint process are purchased from Faaber against a purchase order.

Business Requirements:

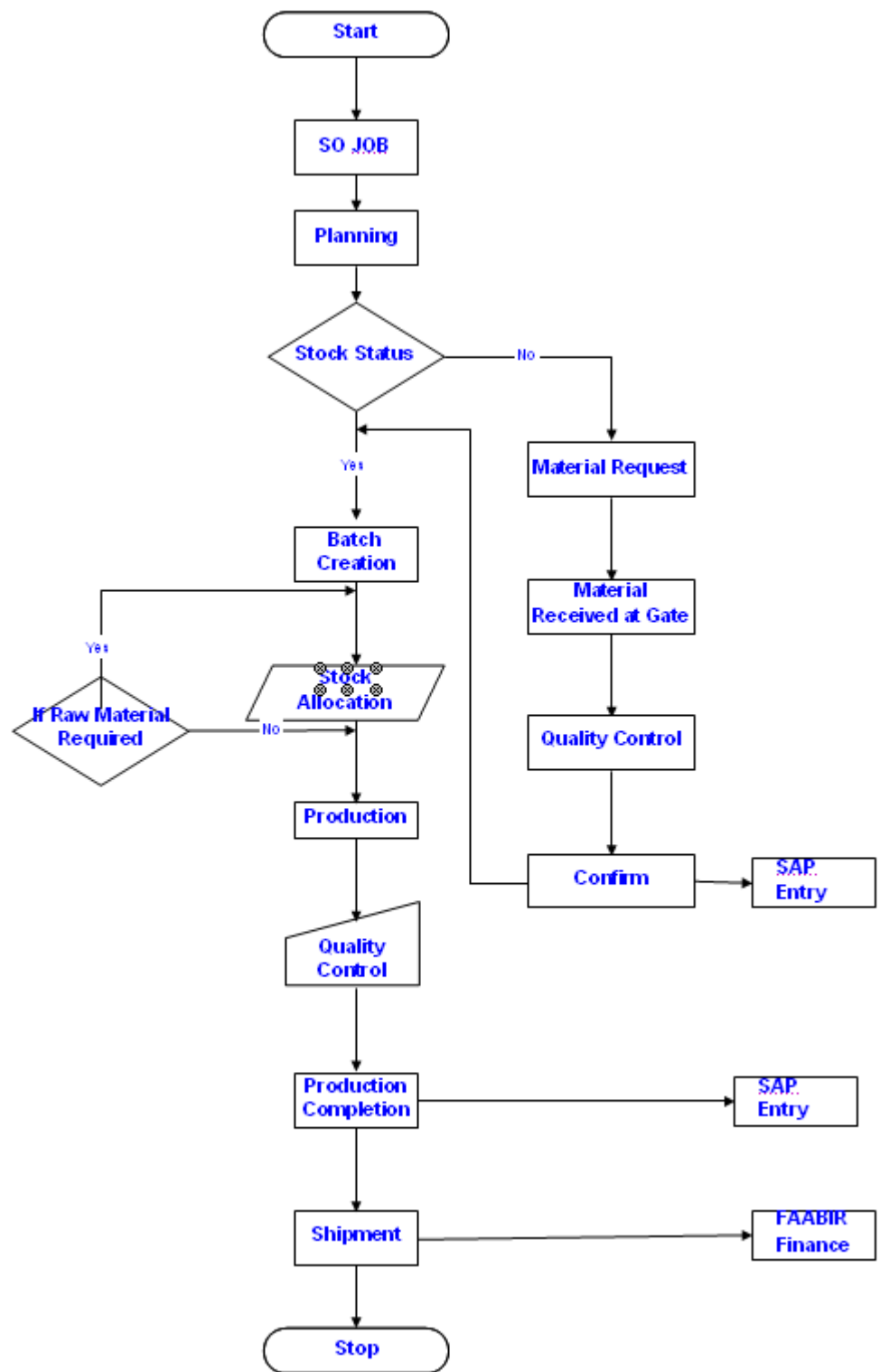
FP has evolved their best business practices over a long period and instilled significant process controls. The process evolves from the pre-sale activity by registering enquiries. The Sales and marketing department perform the cost estimation against all enquiries. Quotes are then submitted and the same quotes undergo changes both commercially and technically. The order is obtained from the customer. The Purchase Plan arrives based on the demands. Productions schedules are prepared by the Production Department.

The Production process is being initiated based on batches. Materials are then allocated against each batch and product completion is carried out on the batches. The Despatching and Invoice process is initiated for the delivery against the orders.

Process 1



Process 2



Solution:

Business Process and Mapping in E•chain

1. The enquiry from the customers will be keyed into the system using the enquiry option available in e•chain
2. The Quotation will be sent to the customers based on the enquiry.
3. If there is a sample request from the customers, then a sample sales order of type “SUPPLIMENTRY” will be created in the system and sample material will be produced and sent to the customer against a SUPPLIMENTRY sales invoice.
4. Then, based on the Sales Oder Confirmation, the Production Plan is derived for the entire month for each SKU. The Production Plan entry will be created in the system using the “**PROJECT**” form available in e•chain.
5. Since in a single plan there can be multiple SKU’s, for each planned SKU, a separate **Shop Floor Order** will be created in the system against each plan.
6. The Batch Cards will be created in the system using the newly customized Batch Card operation, which was custom designed for Faaber. The batches are mapped in the system with the help of LOT control facility in e•chain. In the newly-customized batch operation, the LOT number (Batch numbers) will be created automatically. The batch number creation is incorporated into the system in the Shop Floor Order creation page with the help of a Push Button called “**BATCH CARD**”. On clicking this button, the user will be navigated to the screen containing the batch qty. After entering the batch qty and clicking the “**CREATE**” button, a batch number will be created automatically. This Batch Card number generation will be handled using a numbering sequence against the Lot Numbers. Lot Number generation is handled for mapping the client requirement.

S.No	Organization	Batch Operation	Mapping in e•chain
1	Faaber Paints	Common batch numbers for all items	Mapped with the help of Lot number allocation against item types
2	Faaber Asian Paints (APPG)	Separate batch number for each item	Mapped with the help of Lot number allocation against items

7. The product completion is done against each batch and materials are packed using the packing shop floor orders.
8. The materials required for the process are purchased from the supplier against the Purchase Orders and materials are inducted into

the inventory after the GRN is confirmed by the Quality Control team.

9. In case of Faaber Asian PPG, the materials required for production are received from the Asian PPG against a Dummy Purchase Order and GRN receipts. The materials are processed and sent back to Asian PPG against a Non-Receiveable Invoice to clear the excise entries. A Debit Memo is then created against Asian PPG for the total month's processing charges and taken as a receivable.
10. In Faaber's Application unit, the customer's materials are received against Tolling Sales Orders using Misc receipts and the paints processing against a Shop Floor Orders. Painted materials are dispatched to the customers against an invoice.
11. The main raw materials of Faaber's Application units are purchased from Faaber Unit 1 against a PO and considered in Faaber Unit 1 as sales, which are not receivable. This is handled with the help of "HOME CLEARANCE" sales orders.
12. One complex case e•chain handles for Faaber is when materials will be dispatched to one customer and payment will be received from another customer who is related to the original customers. This is handled with the Credit / Debit Memo facility.

Specific Physical Terms	Mapping in e•chain
Formulations	Bill of Materials
Batches	Batch mechanism in Shop Floor Order
Properties	Specification master of SKU

13. The Total Sales and Production Performance will be tracked with the help of one important report named "Contribution Statement", which deals with the total sales qty, sale price for the SKU, customers, and sites against the raw material actual cost incurred for production.
14. Normal finance flow will be carried under Faaber's Paints unit. The P & L statement is taken in every month

- e•chain Inventory
- e•chain Procurement
- e•chain Point of sale
- e•chain General Ledger
- e•chain Debtors Ledger
- e•chain Creditors Ledger
- e•chain Cash Management
- e•chain Fixed Assets
- e•chain Taxes
- e•chain Bills of material
- e•chain Cost management
- e•chain Shop floor management
- e•chain Quality
- e•chain Supply chain planning
- e•chain Business Intelligence

Benefits:

- The e•chain team was very young and energetic. They rose to the occasion very well.
- [The] change in financial year struggle is over after switching to e•chain ERP/SCM Suite. We used an in-house developed system before implementing e•chain ERP/SCM Suite.
- Our organization has become highly process-driven with e•chain ERP/SCM Suite. [The] entire supply chain is streamlined with e•chain ERP/SCM Suite.
- e•chain ERP/SCM was a very affordable solution compared with SAP. SAP's maintenance and management cost is too high.
- I would give Chain-Sys' Support team an A+ rating for their prompt and valuable work. Support people were available [at] all times.
- e•chain ERP/SCM Suite is a 100% web based ERP. The Web access is a real value addition for our directors in Mumbai.
- Inventory tracking and controls are in place. Sales turnover has increased by 10 to 15% with e•chain ERP/SCM implemented.
- Inventory level is brought down by 15% with e•chain ERP/SCM suite. Inventory turns have also gone down considerably.
- e•chain ERP/SCM suite brought in good controls on our financial bookkeeping. We close our financial books every month within 5 working days from the last day of [the] previous month.
- Customers balance has gone down from 4 Crore to 2.5 Crore with e•chain ERP/SCM implemented. Payback to suppliers has improved. Employee Productivity has gone up.