



A2Z Group: Celebrating Groupwide Power with Streamlined Inventory Controls Using SAP® Software

Rapidly expanding A2Z Group needed to streamline its complex business processes. The company's commitment to India's economic growth made accurate real-time information essential for optimizing outcomes. With an SAP® Business All-in-One Software, **A2Z Group has significantly improved its financial controls** by delivering more effective inventory management systems.

Partner



Executive overview

Company

A2Z Group

Headquarters

Gurgaon, Haryana, India

Industry

Engineering, construction, and operations

Products and Services

Engineering, construction, waste management, and power generation and distribution

Employees

16,000

Revenue

INR 1,214 crore
(US\$265 million)

Web Site

www.a2zgroup.co.in

Partner

PricewaterhouseCoopers Pvt. Ltd.

BUSINESS TRANSFORMATION

The company's top objectives:

- Achieve a higher standard of control in inventory management
- Gain access to more accurate and timely financial and operational reports
- Make better-informed business decisions faster

The resolution:

- Implemented an SAP® Business All-in-One solution for a single, integrated, scalable, platform-independent solution
- Established a strong, team-based IT support system
- Focused on key areas of need while planning incremental expansion

The key benefits:

- Improved project profitability through better supply chain management
- More accurate expense controls with enhanced item-cost identification
- Higher transaction visibility with the software's document management functionality

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TOP BENEFITS ACHIEVED

3%

Higher profit margins on projects

15%

Saving on vehicle-running costs

25%

More efficient processing of sales tax returns

See more metrics ►

“Implementing SAP software will transform the group into an efficient, cost-effective, operationally sound organization with clearly defined decision-making mechanisms for future growth.”

Manoj Gupta, Director, A2Z Group

Executive overview

Company objectives

Resolution

Business transformation

Future plans

Creating a foundation for streamlined, end-to-end business processes

One of India's leading industrial enterprises, A2Z Group (the Group) has an enviable reputation for completing large projects to the highest international standard. Through 15 separate companies, A2Z operates in a dynamic marketplace in the fields of facility engineering, power generation and supply, construction works, and waste management.

From 2006 to 2010, A2Z Group achieved an impressive 188% compound annual growth rate. With such rapid expansion, however, the company found shortcomings in its legacy IT system. Inventory controls could not deal effectively with the higher stock volumes nor provide the financial accuracy needed for pricing materials into projects. The system's capacity to add new features was restricted – unacceptable to an organization looking for new opportunities. Each company within the Group had its own IT solution, with individual managers using different sets of tools to produce data of varying quality.

A2Z Group needed an integrated approach to operate its business and chose an SAP® Business All-in-One solution. Management viewed the solution as the foundation upon which to add more high-performance software. They were excited about the software's toolkit, which enables staff to work productively, using streamlined, end-to-end business processes. They could foresee A2Z's diverse operations running with efficient, flexible procedures, supported by a solution with the functionality to respond quickly to changing business conditions.

Executive overview

Company objectives

Resolution

Business transformation

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Assuming total control of business process output

A2Z's decision to implement an SAP Business All-in-One solution was due to SAP's market leadership and ability to provide incremental solutions that would meet the needs of a growing business. SAP for Engineering, Construction & Operations (SAP EC&O) solutions reflect 40 years of experience in this sector, with SAP software enabling large and complex companies to coordinate their varied activities for greater performance and competitiveness.

From the beginning, A2Z aligned project management with best practices as recommended by SAP. The company established a program management office for monitoring progress and deliverables and engaged PricewaterhouseCoopers (PwC) as the implementation partner. The Group's internal IT team clearly defined the standards for all

operating procedures to ensure a full understanding among all personnel of the project's impact and effects. PwC applied its transform methodology to the task at hand for the smoothest possible implementation process. Both the PwC and A2Z teams worked closely together on the key operational activities that would be impacted by the project. Team members identified and took action on more than 120 end-to-end business processes.

The teams first worked to implement the software in A2Z's engineering, procurement and construction, waste management, and biomass power generation companies – all completed within the planned time frame of six months. A2Z met its project objectives, and the Group now enjoys highly streamlined business processes and much stronger data management controls.



Executive overview

Company objectives

Resolution

Business transformation

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Experiencing a host of new business benefits

Committed to improving inventory controls and financial performance through more accurate costing and budget forecasting, A2Z employees were delighted to have this new set of business tools. With A2Z's SAP Business All-in-One solution, financial management staff can accurately reveal how well projects are performing – right down to the item-code level. Employees managing supply items are now certain to catch all price fluctuations, and bills of material are now reliable and complete. This

improved visibility has transformed A2Z's business, giving staff the confidence to explore further the application's impressive tool set.

Integration of A2Z's business processes means that employees can accurately charge variable office costs by individual project for efficient overhead recovery. Importantly too – staff can easily perform the tasks required to meet Indian accounting standards and other compliance requirements.

KEY BENEFITS

3%

Higher profit margins on projects

25%

More efficient processing of sales tax returns

15%

Saving on vehicle-running costs

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Resolution

Business transformation

Future plans

Achieving group-wide IT alignment

A2Z's SAP Business All-in-One solution is now running at peak performance in three of A2Z Group's 15 companies. Implementation across the group is ongoing, and all member companies will be using the software in just 12 months. An in-house team, well trained to take full ownership of the project as it continues, is effectively managing the rollout. To provide support after the project goes live, PwC is fully available to A2Z staff. The Group has benefited from PwC's vast experience and in-depth knowledge gained after many years of working alongside both SAP and the EC&O industry.

As additional companies fall under the A2Z umbrella, the total cost of corporate IT ownership is shrinking significantly, and staff are finding each new installation easier to do. With SAP software, A2Z's people are able to add significant power to the Group as a whole.



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