



# HOUSE OF PEARL FASHIONS

## INTEGRATING PROCESSES TO MAXIMIZE EFFICIENCY AND CONTROL

### QUICK FACTS

#### Industry

Consumer products – apparel

#### Revenue

Rs 1,482 Crores (US\$322 million) for FY 2008–2009

#### Employees

10,000

#### Headquarters

Gurgaon, India

#### Web Site

[www.houseofpearl.com](http://www.houseofpearl.com)

#### SAP® Solutions and Services

SAP® ERP application, SAP Best Practices for Apparel and Footwear package, Collaboration Folders application

#### Implementation Partners

Siemens Information Systems Limited, SAP Consulting

House of Pearl Fashions Limited is a multinational ready-to-wear apparel manufacturing conglomerate with extensive warehousing and distribution networks. After rapid growth through global acquisitions, House of Pearl standardized business processes using the SAP® ERP application. The company improved overall planning and forecasting processes, enabling stronger supply chain management and enhanced profitability.

#### Key Challenges

- Standardize on an integrated software solution to support operations after rapid growth
- Increase visibility and efficiency across entire supply chain, including international manufacturing and warehouse locations
- Control sales order processes and inventory management with precise insight into critical-path order changes

#### Implementation Best Practices

- Used ASAP methodology
- Dedicated the best people and identified country-specific coordinators
- Created a roll-out template and adopted standard processes to speed implementation
- Invested in change management
- Engaged on-site support for 1 month and deployed SAP-trained resources in each location to resolve user issues

#### Financial and Strategic Benefits

- Integrated enterprise-wide operations to improve planning and forecasting and achieve greater cost and process efficiencies
- Increased internal control to ensure proper recording, authorization, and reporting of business transactions
- Improved accuracy and access to operational data to support strategic decisions
- Gained real-time inventory visibility to optimize levels and ensure delivery precision
- Improved collaboration across supply chain to realize optimal profit margins

#### Why SAP Was Selected

- Ability of software to integrate key business processes with support for sourcing, manufacturing, and distribution processes
- Support for apparel industry best practices
- Scalability of software to ramp-up with growth
- Alignment of IT strategy with dynamic business requirements
- Fit with business scenarios and dynamics

#### Low Total Cost of Ownership

- Avoidance of software customization
- Elimination of stand-alone legacy systems
- Creation of a shared-services IT center of excellence
- Availability of SAP training modules online
- Fewer failures and lower support requirements due to high software reliability

#### Operational Benefits

- Enabled 30% growth year over year
- Reduced monthly book-closure cycle time from 20–25 days to 10 days
- Reduced order management lead time
- Reduced inventory levels
- Achieved greater supply chain efficiency and optimized sourcing
- Centralized operations data for enterprise-wide consistency
- Enhanced system performance to gain fast response times



“SAP ERP has provided the business with global visibility into our operations and a single version of the truth, enabling us to optimize and augment our processes and find areas of improvement on profit margins.”

**M Srivenkatesa**, Group CIO, House of Pearl Fashions Limited

[www.sap.com/contactsap](http://www.sap.com/contactsap)

## Rapid Expansion Drives Need for Control

House of Pearl Fashions Limited is an apparel manufacturing conglomerate that helps bring many of the world's leading clothing brands to market. The company has operations across six continents and plays a dominant role in the supply chain for brands including Gap, J.C Penney, Next, Liz Claiborne, and Esprit.

House of Pearl had expanded rapidly after a series of acquisitions, resulting in manufacturing, sourcing, and distribution facilities around the world. Its growth enables the company to produce more than 4,000 styles every year and warehouse and distribute 5 million pieces of apparel annually in the United Kingdom and United States. While these acquisitions strengthened House of Pearl's customer base, it left the company with an IT landscape of stand-alone software solutions.

## Standardizing on a Single Software Solution

House of Pearl wanted to adopt an integrated software solution to gain better visibility and control. After a rigorous evaluation of applications like Lotus Symphony, Movex ERP, and WFX Technologies software, House of Pearl selected the SAP® ERP application, SAP Best Practices for Apparel and Footwear package, and the Collaboration

Folders application. “We needed better visibility and control across our operations, and we believed SAP software offered us the best functionality and long-term fit,” says M Srivenkatesa, House of Pearl's group CIO.

## Implementing on a Global Scale

House of Pearl worked with Siemens Information Systems Limited and SAP Consulting to implement the software, focusing first on the company's marketing, distribution, and branding processes. The company dedicated its best resources to the project. “We identified country-specific coordinators from business and finance to ensure successful process mapping,” Srivenkatesa adds. “The team defined country-specific variations to our roll-out template.” It followed ASAP methodology and adopted the software without customization. As part of its change management program, the company held classroom and online training and provided on-site support for one month after going live.

## Reducing Total Cost of Ownership

After integrating processes across five countries on SAP software, House of Pearl was able to eliminate its stand-alone legacy systems. To reduce ongoing IT costs, House of Pearl's internal IT team based in India performs all system maintenance. A virtual private network (VPN) with dedicated bandwidth creates a virtual shared-services center of excellence.

## Optimizing Order Fulfillment Processes

House of Pearl has been able to improve overall planning and forecasting to achieve greater cost and process efficiency. Centralized data has resulted in greater data integrity and accessibility to support strategic decisions and speed monthly financial closings. Perhaps the greatest gains have been through improved global supply chain management and collaboration.

Before, orders taken in the United Kingdom or United States and sourced in cost-optimum locations were prone to gaps in communication or execution. “Our distribution and logistics entities were entirely dependent on worksheets and manual follow-up at every stage,” Srivenkatesa explains. “Orders can now be tracked in real time for better visibility and control. Plus, we're electronically integrated with many of our U.S. customers to reduce our order management lead times.”

## Realizing Ongoing Improvement

With SAP software, House of Pearl has gained a higher degree of adaptability so it can react more quickly to changes in demand and opportunities for growth. In the meantime, it will continue on its journey of business process efficiency by optimizing manufacturing processes in India, Indonesia, and Bangladesh.

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