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**Solution Overview**

**Organization Profile**

Established in 1977, Goodricke Group Limited is one of the major tea manufactures in India. With all top quality tea brands under its banner, it produces a variety of teas like green, black and instant.

**Business Situation**

GGL used diverse applications to individually manage operations both at the garden level and at head office. This required additional time and man power as information had to be consolidated from various sites and presented at the head office.

**Solution**

With the help of PricewaterhouseCoopers, a Microsoft Gold Certified partner, the company uprooted all the disintegrated applications and upgraded to Microsoft Dynamics™ NAV 4.0 to benefit from an integrated environment, automated workflows and streamlined processes.

**Benefits**

* Reduces inventory, improves cash flow
* Integrates all locations

**Partner(s)**
PriceWaterhouseCoopers

**Software and Services**
Microsoft Dynamics
Microsoft Dynamics NAV

**Vertical Industries**
Food and Beverage Industry
Manufacturing

**Country/Region**
India



## Goodricke Group Ltd

### Major Tea Manufacturer Integrates Operations to Improve Efficiency and Drive Productivity

Posted: 9/17/2010



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| **Headquartered in Kolkata, West Bengal, Goodricke Group Limited (GGL) is an India-based company engaged in growing, cultivating, manufacturing, treating, blending, processing, buying, selling, and dealing in tea in various forms. With time, GGL found it difficult to supervise garden and office operations. To overcome these inefficiencies, the company implemented Microsoft Dynamics™ NAV 4.0 with the help from PricewaterhouseCoopers, a Microsoft® Gold Certified partner, to make operations more efficient and simplify its IT environment, which previously comprised several disjointed systems. The company now benefits from seamless integration of all sites, gardens and head office. Customized modules not only enhance productivity but also simplify report generation. The time taken in compiling information and generation of reports has radically come down to few minutes or seconds from few days. GGL is undoubtedly reaping the benefits of flexibility and scalability of a robust ERP solution.**Situation Established as a limited company in Kolkata, India, in 1977, Goodricke Group Limited (GGL) is one of the major tea manufacturing companies in India. The company’s core business is the cultivation and production of tea and is among the top three producers in India. It has 28 tea gardens located in Dooars and Darjeeling in West Bengal and Assam. These gardens, earlier owned by Sterling Tea Companies, were amalgamated with GGL in 1978. GGL owns state of the art, computerized automated plants. Its products include bulk teas and instant teas. To satisfy diverse palates and match the expectation of the most discerning of consumers, GGL offers wide range of ever consistent quality brands.With approximately 25,000 personnel, GGL has an annual turnover of INR 370 crore per year. It is an ISO 9001:2000 certified company. Its instant tea is certified for ISO 14000:1996, GMP, HACCP and SQF by SGS (India) Limited.Over the years GGL had inherited multiple, legacy systems, which were not only disintegrated but also forced staff to engage in time-consuming, manual workarounds. For example, at the Garden Level, FoxPro based applications running on DOS operating system were being used to manage operations. The head office also had multiple disintegrated environments. It was using both UNIX and Microsoft Dynamics NAV 3.6 based applications. As the business tried to maintain and consolidate the content of these multiple systems, data integrity became an issue.

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| * | We’ve already seen improvements due to real-time availability of information. Earlier our employees worked for weeks to compile business-pivotal reports from the patchwork of programs and formats. Now it’s a matter of few seconds by clicking buttons. We couldn’t be happier! | * |
|  | Arun Narain SinghManaging Director and CEOGoodricke Group Ltd. |  |

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With critical business information stored in disparate systems, the principal challenge GGL faced was complete disintegration of garden operations from head office. Data was sent back and forth manually between the two locations, which was not only trivial but also a time consuming activity that required extra manpower. The time elapsed in data transfer often resulted in absence of timely information at head office. Consequently, the head office exerted limited information control over the garden operation.The company owns multiple remote plantation and manufacturing sites. However, the existing system lacked integration between different modules like payroll and finance or purchase and marketing resulting in duplication of work. Lack of centralized inventory data resulted in limited visibility into stock and made inter-garden transfer complex.In addition, disparate tools exhibited limited control over accounting and reporting operations. In the absence of centralized accounting system, reconciling garden accounts at the head office for monthly consolidations was a tedious task. The same was true for year-end consolidation and reporting. The diversity of systems, which lead to data re-entry often, resulted in ambiguity and higher administrative costs. Arjun Sengupta, Chief Accountant and Chief Financial Officer, GGL explains, “With time intensive legacy, we often lagged and struggled in month end consolidations even after putting extra efforts to do the job. We were losing significant amount of person-hours every month.”GGL knew that it could not rely on its legacy IT system that was growing more expensive to maintain and support. As it was compromising on efficiency and profits, company leaders considered that an enterprise resource planning (ERP) system would benefit the business. They understood that only a right ERP solution could match the unique industrial functionalities and diverse practices of the plantation industry.Solution To achieve these requirements, GGL sought to improve the efficiency through greater levels of automation. The company needed to deploy a centralized database and ascertain the availability of timely information to support growth. Management at GGL considered several solutions including LS Retail Data Director and SQL based reporting tools besides Microsoft Dynamics NAV. Considering all pros and cons and the extensive customization required, GGL decide on Microsoft Dynamics™ NAV 4.0 for its familiar user experience and integration capabilities with other Microsoft products used by GGL. Arjun Sengupta, Chief Accountant & CFO, GGL says, “We decided to adopt a globally accepted ERP framework, and Microsoft Dynamics NAV was the best fit. It offered a smooth transition from our existing NAV 3.6 environment. We already appreciate the unremitting support offered by Microsoft and its partners. Moreover we presumed it to be a cost-effective implementation.”GGL engaged Microsoft® Gold Certified partner, PricewaterhouseCoopers, to assist in the implementation of Microsoft Dynamics NAV 4.0 SP3. The implementation started in April 2007 and the solution was rolled out from January 2008. As the employees had to be trained to use the new solution in order to eliminate teething issues, the solution finally went live in January 2009. It is deployed at the head office in Kolkata and in 23 gardens in Assam, Dooars and Cachar. Currently it has been deployed for 53 users.Modules implemented at garden level were Finance, Inventory and Store, Purchase, Factory, Kamjari, Daily Rated Payroll, Monthly Rated Payroll and Budget. At the head office, Finance, Purchase, Sales, Payroll, Tea Insurance modules were implemented. The solution was extensively customized for integrated operations of plantations at 23 different locations. As explained by Subhasis Ghosh, Head - IT, GGL, “To accommodate the continually evolving environment in a plantation industry, we had to extensively customize the solution. This ability to easily customize the system to handle specific industry and business requirements added to the long-term strategic value of this project.”The custom build modules are incorporated to streamline multiyear cultivation planning and budgeting, workers’ programme management and their activity based payroll module, tea auction functions (for tea logistics and sales), consignment sales accounting and tracking and blocking mechanism for sales booking.The unique hybrid architecture allows offline operations at remote sites using NAV custom built plantation functions. The offline crucial database transfers important data at regular intervals in order to have seamless functioning of business processes. The customized Factory module addresses all the garden activities starting from plucking of leaves to packaging, invoicing and calculating excise duty etc. and the data is directly entered in the ERP solution. On the same grounds, the Detailed Garden Budget module encompasses five year rolling plan, nursery budgeting, item and man-power activity and account based budgeting, thus ensuring quicker and efficient planning by finance and accounts teams. Arjun Sengupta, Chief Accountant & CFO, GGL happily elucidates, “Precise costing and astute insurance using NAV have relieved us of an enormous burden. We need not ensure whether any costing parameter is overlooked for the ERP never misses or forgets anything.”Seamless integration of NAV with Easyway, a tool GGL uses to capture employee attendance, saves the manual efforts required to calculate the number of working days and leaves taken by the workers since the data is routed to the head office. Microsoft Dynamics NAV provides a single, real-time view into all company operations. With this implementation, GGL has an integrated solution that will help the company achieve its long-term strategic growth plans. Benefits Microsoft Dynamics NAV plays a proactive role in ensuring cost control, and improving efficiency and productivity. The company benefits from reduced manufacturing and administrative costs while improving quality; automated workflows and integrated gardens and head office. Arun Narain Singh, Managing Director and CEO, GGL states, “We’ve already seen huge improvements due to real-time availability of information. Earlier our employees worked for weeks to compile business-pivotal reports from the patchwork of programs and formats. Now it’s a matter of few seconds by clicking buttons. We couldn’t be happier!”Reduces Inventory, Improves Cash Flow To ensure complete orders, GGL maintained high inventory which resulted in higher inventory cost and affected the cash flow. With the deployment of Microsoft Dynamics NAV, inventory consolidation has been facilitated. The management can easily track and manage inventory by location as it goes through the production life cycle. All inventory details including additional information about the amount consumed, location, and entry or exit time are maintained in the new system. This information when routed to the server is reviewed by managers at the head office and they are able to view the consolidated on line situation along with stock estimates, consumption patterns. This empowers them to decide the minimum amount of inventory to be maintained, thereby saving storage space and inventory cost.Atul Asthana, Senior General Manager, GGL further elaborates, “Since the inventory module is integrated with the manufacturing and production modules, we can plan production based on demand thus keeping inventory to the minimum.”Atul continues, “Improved visibility through our stores ensures that the right amount of stock is always available to meet production and distribution schedules.”Integrates all Locations GGL has achieved complete seamless integration of all the sites and gardens with the head office for reporting and supply chain purposes. With real time data available, consolidation time required for month end reporting from the gardens has been reduced substantially.The integration of operations at plantations with strong validation of rules facilitates faster, more accurate and controlled information processing. Bringing its operations onto a common system means that managers at the head office get a 360 degree view of information about the garden and factory operations and control their functioning efficiently.Microsoft Dynamics Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your people to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what’s most important. And because it is from Microsoft, it easily works with the systems that your company already has implemented. By automating and streamlining financial, customer relationship, and supply chain processes, Microsoft Dynamics brings together people, processes, and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success. About PricewaterhouseCoopers PricewaterhouseCoopers (PwC) is one of the world's pre-eminent professional services organizations. As professional advisers the company plays a significant role in the operation of the world's capital markets. With a workforce of more than 155,000 people in 150 countries and 22 industry-specialized practices, it helps its clients to solve complex business problems and aims to enhance their ability to build value, manage risk and improve performance. 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