



Mining giant deploys Microsoft Dynamics AX to automate processes for its new Cement Plant

Annual Capacity	~3 million tons
Daily Capacity	8000-9000 tons
Daily Dispatch	400-500 vehicles
Dealer Network	1800+
Stocking points	75

highlights

A leading conglomerate with interests in mining business was setting up one of the largest cement plants in North India. Making sure that an effective ERP system was up and running on day one of the plant getting operational was absolutely crucial.

Intense engagements with Alle Technologies (Alletec) solution team and Microsoft gave the company management enough confidence to decide on Dynamics AX as the ERP for the plant. Being the very first Cement plant of this size to select Dynamics AX, solution capability and scalability demonstration were the critical points that helped the customer take the decision in favor of AX.

One of the largest Dynamics AX projects, that required large team sizes to spend significant time at the plant site and the company headquarters, the AX project go-live for various functions – Clinker Sales, Production, Cement Sales, Distribution and Financial Accounting – were synchronized with the plant and various business functions going live. The plant that runs 24x7x365 had several cement business specific nuances that were mapped to AX, and partly customized.

business situation

Though a Greenfield venture, the share size and complexity of cement production and distribution made it mandatory for the business that an ERP was up and available even before the plant commenced production. Large capital investments were being made, and a robust system was required to capture these details.

- The Cement plant – though fully automated – requires monitoring of raw material and energy consumption at various points through the process. A very large percentage of the total input costs into manufacturing cement goes in to energy.
- The anticipated daily sales targets were 8000-9000 tons of cement on full capacity. Daily dispatch of 400-500 vehicles with different capacities was estimated. A well-built control mechanism was required to monitor targets, order deliveries, payments (incoming & outgoing) and credits if any.
- Nuances of the cement distribution often result in the mode of transport or type of vehicle getting changed at the dispatch stage. This impacts the transport costs and the various taxes involved – since the cost to customer has to remain unaffected.
- The company expected to build a strong channel network of 1800+ dealers in 2 years. Management of channel partner commissions and incentives was a complex task that had to be addressed at priority.



the Alletec business solution

Alletec adopted a two-phased approach to ERP implementation for the new cement plant. The Phase I addressed the immediate needs of the organization at the plant commissioning stage (finance, inventory and purchase). The second phase covered sales & distribution, logistics, mining operations, production, plant maintenance, costing and dealer & sales force management.

the benefits

- Automation enabled tracking of daily production, stock status, power consumption and input & output quality.
- Effective management of freight & price matrix which leads to efficient product pricing and freight costing of sales orders based on dynamic parameters like delivery location, delivery terms, mode of transport etc; and all this without any manual intervention.
- Efficient dealer management with easy monitoring of sales orders processed & timely payments of incentives to sales force as well as dealers while also ensuring effortless credit monitoring.
- Seamless consolidation of business data across various locations providing accurate insights into the monetary standing of the company at any given point of time.

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results

- End-to-end tracking of production process and energy consumption details, leading to improved operational efficiencies.
- Real time tracking of inventory and distribution network.
- Delivery status visibility.
- Efficient management of dealer receivables, payables & cash discount credits.

