



HP and SAP energise Business Operations at Bajaj Tempo



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Sudhir Mehta, Director,
Bajaj Tempo Ltd.



"Technology must provide us with solutions that can enable us to give the customers what they want; which is better information, faster information and at the lowest possible cost. Our relationship with HP on these three critical parameters has been excellent."
Sudhir Mehta, Director, Bajaj Tempo Ltd.

Business Challenges at Bajaj Tempo: Process and Information Integration among Users

Bajaj Tempo has been one of the earliest adopters of IT in the Indian automobiles domain space having begun with punch cards and unit recording machines. In the pre-SAP implementation phase, the existing system was quite disparate.

Says Mr. Sudhir Mehta, Director, Bajaj Tempo Ltd., "Even as we are shaping up to become a global automotive player with a slated turnover of Rs.5,000 crore by 2010, we understand the enabling and decisive impact of IT. In Bajaj Tempo, we have defined primarily three users of IT; the vendors, the in-house users and the extended dealer and after sales & service network. To satisfy these diverse stakeholders and their specific sets of demands, any system that we invest in needs to have scalability, reliability and the attendant robustness."

For the Company, total automation was the key to streamlining disparate operations. The Company realised that it could not only save valuable resources integrating processes but it could also enhance its competitive determinants in a highly complex business domain space over time. The answer to Bajaj Tempo's process conundrums was Enterprise Integration through SAP. With SAP, Bajaj Tempo could engage in higher levels of process optimisation thereby sharpening its competitive metrics.

Says Mr. Laxminarayan, Advisor and founder Chief of IT, Bajaj Tempo Ltd., "In 1999, our SAP objectives centered around performance analysis, systems for decision support systems, reducing response time, process lead time and documentation and providing user friendly, menu-driven systems. With enterprise integration being the stated goal over a period of time, we were convinced by our software implementation partner Tata Technologies that the SAP solution was the better solution. We once again trusted Alpha servers to give us the desired robust platform and continued the legacy of our Digital hardware platform."

Mission SAP at Bajaj Tempo

Being an aggressive user of IT, and prompted by the desire to be on the latest platform, Bajaj Tempo decided to migrate from R/3® 4.0B to R/3 Enterprise® 4.7, the intention of ensuring enhanced performance from the system at the best possible prices. "The major business challenges we wanted to address through SAP were unresponsive supply chains and disparate processes," recounts Mr. Ghatpande, General Manager, IT, Bajaj Tempo Ltd., "The challenges in view of these critical business issues were lack of real-time information, incomplete integration of data and processes, and unrealised potential of resources."

To be sure, SAP allowed Bajaj Tempo to further improve its key performance indicators; faster operational coordination, faster reaction to market changes and heightened stakeholder experience levels.

Says Mr. Ghatpande, "With the implementation of ERP, we have brought about greater efficiencies within cross-functional teams and the workflow process has definitely improved. Our systems are now extendable to our customers (dealers) and vendors through the SAP ITS (Internet Transaction Processing) software, which allows us to be in control of our supply chain."

Bajaj Tempo has already implemented Enterprise version with all core modules in place like FI, CO, MM, SD, PP and PM.



Shashank Ghatpande, General Manager, IT, Bajaj Tempo Ltd. (extreme right), with his team

HP Intel Itanium-based Integrity Servers – Powering the SAP endeavour

Efficient running of mission-critical applications requires a fast and reliable platform. HP Itanium Servers were Bajaj Tempo's first choice. Adds Mr. Mehta, "HP Integrity servers helped us to effectively mitigate risk and manage costs. Moreover, being in the business of manufacturing vehicles which are primarily utilitarian in nature, we have to ensure that we are able to deliver the best value-for-money proposition to our customers. This can be achieved only if all our costs are value-for-money driven and our IT investments are planned accordingly. Quite clearly, there has been a cohesive approach by all the entities involved in the integration process including HP, which delivered the high-value product offerings."

Needless to say, the right technology partner – like HP has gone a long way in ensuring the right kind of investment protection while making optimal use of the solutions offered.

Today, Bajaj Tempo is able to implement mySAP technology completely with the mix of technology coming from HP including the new Itanium servers and leveraging the previous investments made in Compaq Alpha servers. Further, the efficiency and robustness of the servers has allowed Bajaj Tempo to consider other new dimensional SAP initiatives like Business Warehouse on the HP Itanium platform.

Complementing the IT architecture is an advanced HP SAN EVA 7100 which can dynamically scale capacities without compromising on throughput.

HP – The Reliable Technology Partner

HP precisely mapped the requirement parameters at Bajaj Tempo and the result has been increased customer confidence on the entire technology

ecosystem. The HP team managed the Bajaj Tempo's transition to an advanced environment quite smoothly. HP helped support the entire process, especially with all technical aspects. The result – the new environment has seamlessly blended with the existing environment thereby neutralising any process or technical glitches.

Says Mr. Shashank Ghatpande, "We now have a unique mixed IT infrastructure and the migration to the current environment has been up to our expectations with HP providing the sound and reliable support that we desired. Our system has been working for 4 months now. We are happy that it has been able to deliver the performance that we had expected and what had been promised. There is definite improvement for end users and the advantage of planning higher versions of SAP. Our previous MRP which we were doing in 16-18 hours takes about 4-5 hours now."

Benefit Configurations

Apart from greater operational freedom and higher process integration, Bajaj Tempo has been able to monitor its supply chain dynamics very closely with the help of consultants and is planning to integrate the same with the SAP system. SAP's new dimensional products are expected to give the necessary support for the same.

Presently, with SAP ITS, Bajaj Tempo has quite significantly shifted its business model from a reactive to a more proactive one, which means at any given point in time suppliers are able to get up-to-date information about the status of their queries. From an organisational perspective, there is greater transparency within the organisation and processes.

States Mr. Mehta, "Thanks to HP & SAP, we are now in a position to leverage the power of information in all aspect of the business".

The Road Ahead

With hardware independency and price advantage coupled with system scalability, Bajaj Tempo has redefined its competitive advantages in the market place. On the anvil are plans to Migrate and Implement a Business Warehouse and SEM Enterprise Portal, CRM and DMS (Dealer Management Software). And with HP on its side, Bajaj Tempo is all set to achieve its aims.

Challenges

- Integration of process and information sources.
- Sharing information with different constituents
- Operational optimization
- Unresponsive supply chains

Solutions

- R/3 Enterprise Development Server – DS25 Alpha Server/ 869 MHz x 2 CPU/ 3GB RAM/72GB X 2 HDD
- BW Production server – HP rx2600 2 x 1.3 GHz , 4GB RAM, 2x73GB HDD HP-UX 11.23 OS
- CI Server – HP rx4640 with 4 x 1.5Ghz Itanium Processors / 8GB RAM/ 2 x 36GB HDD
- DB Server – HP rx4640 with 4 x 1.5Ghz Itanium Processors/ 8GB RAM/ 2 x 36GB HDD
- Service Guard Cluster s/w
- Portal Server – HP ProLiant ML 350G3, 2 x Xeon 2.40GHz processor, 2GB Memory Windows 2000 OS
- Storage device SAN VA 7110 with 20x73 GB fiber channel HDD

Results

- Higher operational efficiency
- Investment protection
- Scalable IT environment
- Turnover of the company has increased from Rs.600 crore to Rs.1150 crore in the last three years without increasing staff
- Better control on the receivables
- Bajaj Tempo continues to be the best payers to its vendors and is able to retain the same with the integration of the business processes

To know more about HP's Adaptive Enterprise solutions,
e-mail: india.bcs@hp.com

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