

Agrochemical Company Drives Business Growth and Profitability

Dhanuka Agritech Ltd wanted in-depth insight and control over its business. The customized but ageing IT systems lacked sufficient control and visibility. Merely analyzing profitability of a customer was so complex that prioritizing schemes for them became time and resource consuming. To improve performance and management, the organization started looking for a complete solution to deliver intelligent, actionable information. It chose Microsoft Dynamics NAV.

Results

- Saves time
- Optimizes inventory, reduces cost
- Business intelligence drives growth
- Improves productivity and profitability

Industry

Agro-Chemical

Country or Region

India

Customer Size

1100+ employees

Number of Users

75 employees

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"Dynamics NAV has helped improve performance in virtually every area, from production to quality control to finance and accounting. This has helped us accelerate time-to-market."

Vinod Kumar Bansal, Chief Financial Officer, Dhanuka Agritech Ltd

Dhanuka Agritech Limited (DAL), the umbrella company, reaches more than 10 million farmers via its 7,000 customers and 18 brands of eco-friendly, high quality crop care products. To achieve this, it collaborates with international players to perfect technical knowhow, coupled with innovative marketing and a streamlined supply chain. In this context, it decided to modernize IT solutions to drive greater efficiency.

Business Challenges

DAL was using bespoke solutions developed in-house over five years ago for inventory, sales and other business functions. Its financial management tools were also not robust enough. More significantly, as the business grew, new locations deployed different solutions for the same function, complicating processes instead of enabling them. These could no longer meet the emerging requirements for real time sales, purchase, inventory and stock data.

Employees keyed in the same information in several databases to generate different reports for management reviews from 38 locations. This was a huge waste of resources. It created multiple versions of the truth, reducing accuracy and the management received dated information.

It is an industry practice to create micro-level schemes that give discounts on crop care products based on seasonality, monsoon quality and infestation predisposition based on geographic location, etc. Besides, the type and value of customer, quantity of material ordered on each invoice, nature of demand and advance payments are also considered. At the same time, this information must filter down the distribution chain to ensure success. Mapping schemes to specific customers or branches was the biggest challenge, requiring a large team, which Dhanuka has. However, it



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We have improved performance in virtually every area, from production to quality control to finance and accounting, which has helped us to accelerate time-to-market and pursue new business more aggressively.

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also needed a sizable team to create, manage and control information flow.

Additionally, there was no system to control credit to judge the credit worthiness of its customers. Nor could it pre-determine inventory at each location. Employees would manually collate the requirements from each branch, issue requisitions to maintain inventory level, at times leading to stock-ins or stock-outs.

DAL needed a solution that would traverse the supply chain to consolidate data and create effective reports for all branches, factories and the distribution network in the country.

Finding the Right Solution

A five-member senior management team took the initiative to find a robust, flexible and integrated solution. "We wanted a solution that could efficiently migrate data from our legacy system and give easy access to our employees," says Ankur Dhanuka, General Manager, DAL. "At the same time, building support and acceptance for the solution was important."

A thorough evaluation led the team to Microsoft Dynamics NAV because it offered operational intricacy and guaranteed savings. "Dynamics NAV has all the functionalities we need to run our business, and the Microsoft brand commits a clear roadmap for the product. This appealed to us," recalls Rajesh Verma, Senior Manager, DAL.

The Implementation

Dhanuka approached Acxiom Consulting, a Microsoft Certified Partner, to deploy the solution. Acxiom has experience in the agro-chemical domain and has successful deployments in the pesticide industry. "In our interactions, we became confident that Acxiom would deliver real benefits to our business," comments Ankur Dhanuka.

Acxiom deployed Dynamics NAV at all the 38 branches, factories and depots in eight to 10 months. Dhanuka procured 51 licenses for concurrent users. It deployed Financial Management, Supply Chain Management, Manufacturing, Distribution, Sales and Marketing.

Acxiom tailored the solution to incorporate custom modules. **Scheme management** is one of the most important ones. It defines schemes on invoices and credit notes based on set parameters. Earlier 30–35 employees were deployed for the above tasks. Now, there is a saving of almost 50 percent of the time for the same tasks. Other customized modules include:

- **Overdue Interest:** Generates auto debit note for overdue interest.
- **Cheque management:** Includes Cheque receipt at branch, postdated or outstation Cheque management, right through to realization.

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- **Credit Limit Management:** This module gives a personalized credit limit to each customer based on history.
- **Quality Management:** Focuses on inward/in-progress/outward quality check.

Benefits

“Dynamics NAV has helped improve performance in virtually every area, from production to quality control to finance and accounting. This has helped us accelerate time-to-market,” says Vinod Kumar Bansal, CFO, DAL.

Consolidated Real Time Information Saves Time

“By automating financial data, we have removed duplication and manual processes and improved efficiencies, which in turn has reduced costs and 50 percent man hours,” states Satendra Singh, Manager, DAL. He continues, “For example, we quickly pull up information from online sales and purchase orders which previously took 2–3 days. Online billing and credit limit management save 40 to 50 percent of the time needed earlier to process the paper work for sales or purchase orders and invoices.”

Simultaneously, DAL has improved its month-end reporting by allowing employees to generate their own reports, significantly shortening the cycle.

Optimizes Inventory, Reduces Cost

All the elements of inventory management have become easier, from raw material procurement to order processing and stocking finished products. The company has improved visibility and integration between its enterprise planning, production, warehousing and distribution. Updated requirements of stock at each branch are available in real time the moment the sales order is passed. The factory person in charge knows which product is to be sent to which branch, maintaining optimal inventory levels all the time.

“Besides automatic replenishment, we can identify patterns in inventory at different locations. Dynamics NAV tells us which products are more in demand in which area, or if there is a need for more dealers in an area,” states VK Bansal. Additionally, the introduction of expiry dates in inventory cycles also helps define minimum and maximum inventory levels by location and allows Dhanuka to maintain an optimal stock level. It thus manages up-to-date inventory at all locations and minimizes inventory costs by up to 15 to 20 percent.

Business Intelligence Drives Growth

Earlier, the combination of disintegrated systems meant delays in processes and lack of on-time, reliable data essential to make strategic business decisions. However, real time visibility across the processes provides in-depth knowledge and saves time. With an improved automated system, in-depth reports on critical business drivers like online billing, accounts receivable, sales, opportunities, costs, inventory levels, etc., are readily available for analysis. Besides increasing productivity,

Dynamics NAV allows revenue recognition and business intelligence, which overall results in driving customer retention and continuous revenue growth.

Improves Productivity and Profitability

Using Microsoft Dynamics NAV, users have been able to reduce the amount of time to complete routine tasks dramatically, from processing orders to maintaining quality control data, leading to a company-wide gain in productivity of more than 30 percent. "Better reporting and increased visibility into key performance indicators also allow us to analyze production trends to improve manufacturing, production and operational efficiency. Shorter business cycles lead to better services and brand management, along with an influx of customers, resulting in greater profitability," comments VK Bansal.

Furthermore, adds Bansal, "We are enjoying tangible benefits and have recovered the cost of ownership in just two years. Dynamics NAV has exceeded our expectations. It is our decision-making support, operations, supply chain and management tool."

DAL's Technology Environment	
Servers	Dell PowerEdge "R Series" (12th Generation) EMC CLARiiON SAN Net Vault VTL back-up
ERP system	Dynamics NAV 4.0
Deployment strategy	On-premises

Next Steps

- [Connect with Microsoft Dynamics](#)
- [Become a Dynamic Business](#)
- [Learn about partner solutions available in the Microsoft Dynamics Marketplace](#)

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