



## Business Challenge

To capitalize on opportunities offered by the growing Indian economy, SIPS wanted to build a more integrated enterprise that would enable greater workforce productivity and control over costs.

## Transformation

SIPS engaged IBM® Global Business Services® to help transform its business, deploying unified, transparent processes supported by the deployment of an integrated suite of SAP® solutions.



**Commander Arun Jyoti (Retd)**  
Chief Operating Officer  
Shyam Indus Power Solutions

### Business benefits:

**15%**  
estimated revenue increase anticipated in the next financial year

**3x**  
the previous workload can now be managed by the same headcount

**6%**  
decrease in costs due to greater inventory control and more efficient ways of working

# Shyam Indus Power Solutions engineers greater cost control for surging revenues

Incorporated in India in 2004, Shyam Indus Power Solutions Pvt Ltd (SIPS) specializes in electricity distribution, franchise management and turnkey projects in the transmission and distribution sector.

*“Working with IBM and SAP, we have evolved into a more integrated, agile enterprise that can make better choices based on timely data.”*

Commander Arun Jyoti (Retd), Chief Operating Officer, Shyam Indus Power Solutions

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## Challenge in detail

A fast-growing economy and numerous government-led initiatives make India a true land of opportunity.

To make the most of this, engineering, procurement and construction company SIPS sought to build a more integrated and agile enterprise with greater control over costs and with enhanced workforce productivity. Specifically, the company set out to achieve this by joining up and streamlining multiple processes, enabling it to transform inventory management, take on more projects with the same headcount and maximize profit margins.

## Solution delivery

SIPS engaged IBM Global Business Services to help drive its transformation, deploying integrated, transparent processes to support its materials management, procurement, finance and sales and billing departments. Underpinned by the implementation of a suite of SAP solutions, the project was completed ahead of schedule, in just five months.

## Thriving in an era of possibility

India's flourishing economy, which recently overtook China's to become the world's fastest-growing<sup>1</sup>, is teeming with opportunity across multiple industries. For example, the country is now one of the largest producers of electricity globally, and the government continues to invest heavily in power generation infrastructure and related initiatives. This is good news for engineering, procurement and construction specialist SIPS, which holds the premier license issued by the Government of India's Central Electricity Regulatory Commission (CERC) for trading in electricity.

Commander Arun Jyoti (Retd), Chief Operating Officer at SIPS, says: "Our vision is to be an acclaimed company partnering in India's growth in power distribution, engineering and project management. To make the most of the possibilities in India today, we need to be ready to move on opportunities fast. The time was right to invest in resolving some internal challenges to put us in the best position for continued growth."

## Full circuit for success

SIPS recognized that a lack of integration between different parts of the business posed an obstacle to corporate agility, limiting employee productivity and the company's ability to adapt to change.

Commander Jyoti explains: "Unless SIPS can move as a single, unified unit, we are not operating at our full potential. Our materials management, procurement, finance and sales and billing departments were all acting individually, reducing their ability to effectively work together. It also made it difficult for management to gain an end-to-end view of performance and put strategic aims into action."

Materials management, which plays a vital role in the company's everyday operations, was identified as a key area for improvement. Without visibility of inventory, SIPS was missing out on valuable chances to optimize use of resources.

Rajesh Popli, Program Manager and Business Advisor at SIPS, elaborates: "Typically, we work on over a hundred projects at a time, at different stages in an average three-year project duration, each requiring a range of materials. Storing inventory is a significant cost for us, so we realized that more closely matching materials to demand could offer dramatic savings—but this simply was not possible with our existing spreadsheet-based approach."

## Sparking a transformation

To transform its business, SIPS engaged IBM Global Business Services to help develop and deploy a set of unified, transparent processes supported by the implementation of a set of SAP applications.

"Based on our current profit projections, we anticipate that we could raise revenues by as much as 15 percent in the next financial year—something that would not be possible without the valuable competitive advantage offered by the IBM and SAP solutions."

### Commander Arun Jyoti (Retd)

Chief Operating Officer

Shyam Indus Power Solutions

Commander Jyoti says: "SAP solutions appealed to us due to their strength in materials management, a key priority to us, and the complete audit trail they offer. We chose IBM as our implementation partner because of their deep understanding of the EPC [engineering, procurement and construction] industry, world-class reputation and competitive fee."

In a three-phase project, the IBM team worked alongside SIPS to design a business blueprint, structure the SAP systems and then roll out the applications.



Rajesh Popli adds: “Once IBM has immersed themselves in our company structure, they were able to navigate the project to completion a month ahead of schedule, giving us extra time to ensure that the solution was completely stable.”

SIPS implemented SAP modules to support its materials management, procurement, finance and sales and billing departments, introducing a range of new capabilities.

Commander Jyoti comments: “As a result of the project, we have gained revolutionary control over inventory. With complete visibility of which materials we have, and where they are, we can transfer stock to where it is needed. We can also better predict demand and plan accordingly, minimizing the amount of ‘dead’ stock we hold.”

Rajesh Popli picks up the story: “For purchasing, we now have currency conversion built in, which saves time and boosts accuracy. The SAP solutions allow us to immediately call up a range of financial measures, including our daily spending, for a true picture of performance.

“Our document management capabilities are completely transformed with fully redesigned processes that take advantage of digital workflows. Before, we relied on paper invoices, reservation notes, receipts and so on, now these processes are all digital and the data is integrated with transactions. With our new visibility, we can set effective targets for our sales teams and track performance against them.

“Just a month after our new processes and SAP solutions, implemented by IBM, were fully deployed, we saw cost reductions of approximately six percent.

### **Rajesh Popli**

Program Manager and Business Advisor  
Shyam Indus Power Solutions



**Rajesh Popli**  
Program Manager and Business Advisor  
Shyam Indus Power Solutions

## **Benefits in detail**

- 15 percent revenue increase is estimated for the next financial year
- 6 percent approximate reductions in costs already achieved through greater inventory control and efficiencies
- Three times the previous workload can now be managed without adding to headcount, made possible by greater integration and more effective ways of working. As a result, the company can embrace new opportunities with confidence and ease
- Enhanced ability to adapt to changes to the marketplace offers SIPS a valuable competitive advantage
- Greater transparency of processes, costs and materials across the company drives better utilization of resources
- Protects data integrity and delivers information virtually instantly rather than 24 hours or more, ensuring that decision-making is based on up-to-date, accurate company information

## **Key components**

**Applications:** SAP® ERP with modules for finance, controlling, materials management, project system, quality management, sales and distribution and document management system; SAP Solution Manager

**Services:** IBM® Global Business Services®

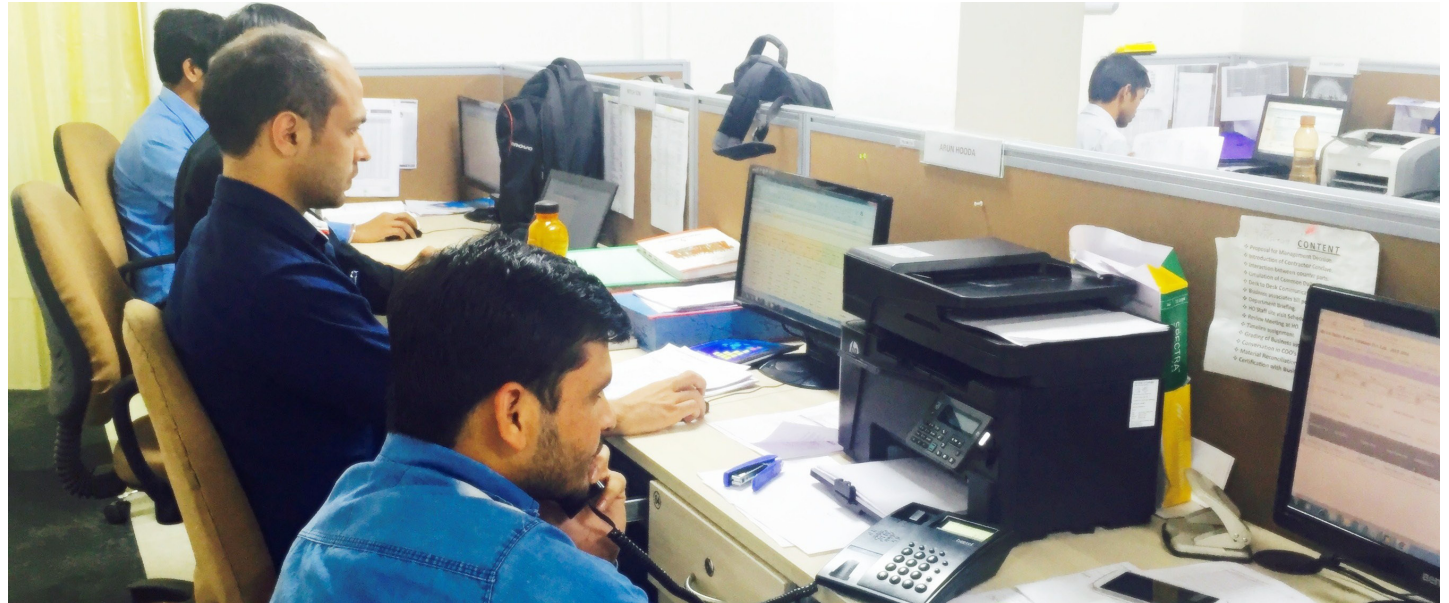
“Partnering with IBM for our digital transformation in the back- and front-office helps us provide better customer-facing services, fulfilling our promises for performance and delivery.”

## Powering unprecedented integration

Today, all the company's processes, from procurement through to final delivery on a project, are connected and transparent. Helping employees work and collaborate more effectively, the solutions are contributing to greater productivity.

Commander Jyoti explains: “We estimate that the more efficient, flexible ways of working enabled by the SAP and IBM solution will enable us to manage three times the workload with the same headcount. As a result, when new opportunities come our way, we can embrace them with ease and speed.”

Equipped with a comprehensive view of operations, SIPS can identify and stop cost leakages, to boost profit margins.



Rajesh Popli continues: “We now have a much better understanding of a complex business landscape. For the first time, we can use the SAP solutions to see the different costs for each job at any time, and how they track against the initial budget. Just a month after our new processes, implemented with the assistance of IBM, and the new SAP solutions were fully deployed, we saw cost reductions of approximately six percent.”

With faster access to accurate, up-to-date information, SIPS can support improved decision-making. Whereas previously, information was buried in spreadsheets and could take more than a day to extract, it is now available near-instantly.

Commander Jyoti concludes: “Working with IBM and SAP, we have evolved into a more integrated, agile enterprise that can make better choices based on timely data. Based on our current profit projections, we anticipate that we could raise revenues by as much as 15 percent in the next financial year—something that would not be possible without the valuable competitive advantage offered by the IBM and SAP solutions.”

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1. Source: <http://www.schwab.com/public/schwab/nn/articles/India-Becomes-World-s-Fastest-Growing-Economy-What-Investors-Need-to-Know>