



# Agriauto Stamping Company boosts customer satisfaction by 90 percent

Founded in 2012, Agriauto Stamping Company specializes in producing die and sheet metal components for its customer Indus Motor Company (IMC). Agriauto Stamping Company is based in Pakistan, and employs 120 people.

## Sights set on growth

Agriauto Industries recognized that a surge in demand for sheet metal parts, used for manufacturing automotive components, could present a valuable opportunity to seize greater market share. Success would move the company one step closer to its goal of becoming the leading automotive supplier in South Asia.

In the past, Agriauto Industries produced sheet metal components within its existing manufacturing processes and facilities. To tap into the skyrocketing demand more effectively, Agriauto Industries set up a new subsidiary – Agriauto Stamping Company.

Syed Nasruddin, Head of IT at Agriauto Stamping Company, begins: “Agriauto Industries was planning to supply sheet metal components to several global automotive companies.

“To cement our position as a key supplier to these customers, we wanted to impress them by enabling them to receive goods just 48 hours after they place an order.

“This capability would be an enormous benefit to our customers, because many of them rely on just-in-time manufacturing, so any late or incorrect deliveries force them to postpone production and shipments to their own customers.”

Recognizing that it would be unable to adjust production fast enough to accommodate customer orders so quickly using existing manual systems, the company began searching for a new solution.

## Overview

### Challenge

**To win greater market share, Agriauto wanted to delight customers by launching speedy delivery options – but it could not adapt fast enough to respond to new orders using existing systems.**

### Solution

**Working closely with IBM® Global Business Services®, the company implemented SAP® ERP applications and streamlined business processes, enabling it to switch to just-in-time operations.**

### Key benefits

**20 percent rise in delivery performance boosts customer satisfaction by 90 percent; 20 percent cut in stock shortfalls reduces production delays; accelerates financial reporting by 82 percent.**

## **Business Challenge**

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**Agriauto saw rising demand for sheet metal parts as a golden opportunity to seize a greater share of the automotive components market.**

**To attract new business, the firm wanted to enable customers to receive goods within 48 hours of ordering them.**

**However, existing manual processes and systems prevented the company from adjusting production rapidly enough to accommodate new orders that quickly.**

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## **Choosing the right partner**

Agriauto Stamping Company decided to engage IBM® Global Business Services® to help it implement SAP® ERP applications, and streamline business processes in areas such as finance and production planning.

Aqeel Loon, Head of Finance at Agriauto Stamping Company, explains: “We were set to commence production at our new factory on January 1<sup>st</sup> 2015 – giving us just three and a half months to complete the SAP implementation.

“We had witnessed first-hand how expertly IBM Global Business Services had performed a complex SAP implementation at our parent company just a few years earlier, so we decided that IBM would be the perfect partner to support us in this new initiative.

“We selected IBM Express Automotive Supplier Solution, a pre-configured, qualified SAP Business All-in-One solution designed for rapid implementation. The IBM team helped us deliver the SAP solution quickly and seamlessly, enabling us to hit our deadline for starting production at our new plant. Senior managers at Agriauto Stamping Company were so happy with the IBM consultants’ work that

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“Engaging IBM Global Business Services and deploying SAP applications has enabled us to unlock major efficiencies across our operations.”

### **Aqeel Loon**

Head of Finance  
Agriauto Stamping Company

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they presented them with certificates at the end of the implementation.”

Replacing manual processes and spreadsheets with a state-of-the-art suite of SAP ERP applications enabled Agriauto Stamping Company to significantly reduce the time and effort involved in key business processes such as production planning and financial reporting. Because many processes are now automated, the company has reduced the risk of human error causing mistakes in its data, improving accuracy.

Moving to slick new business processes supported by SAP



Increases  
customer  
satisfaction by  
90 percent

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ERP applications has triggered huge improvements across several parts of Agriauto Stamping Company's operations.

### **Smarter manufacturing enables ultra-fast delivery to customers**

Agriauto Stamping Company produces hundreds of components for many different types of vehicles. Previously, the company generated production plans manually using spreadsheets. This process was extremely arduous, and it was easy to make mistakes, which could result in incorrect parts being manufactured and sent to customers.

Heavy reliance on manual calculations also made it difficult to avoid delays or bottlenecks in obtaining raw materials from suppliers, and the company sometimes delayed production until

the correct resources arrived. Similarly, it was tricky to ensure that the correct manufacturing machines and labor would be available at the right times to produce the ordered goods, causing spare capacity to be wasted.

With the new SAP applications in place, Agriauto Stamping Company now has accurate real-time data concerning variables such as material consumption, inventory, and the availability of equipment and skills required to produce each part. This has enabled the company to switch to just-in-time manufacturing.

"In the past, it took us 21 days to compile a detailed overview of our inventory, but with SAP, we can obtain this information within just seven days, a 66-percent improvement," adds Syed Nasruddin.

"With SAP applications, we can optimize production and adjust plans on-the-fly to accommodate new customer orders, enabling us to make the best possible use of our available manufacturing capacity.

"Our employees can now see which orders we need to fill each day, check whether they have the required resources available, and order new



### **Solution**

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**The firm engaged IBM Global Business Services to help implement a comprehensive suite of SAP ERP applications to support many parts of its business.**

**The IBM team designed new streamlined processes for finance and production planning, enabling Agriauto Stamping Company to switch to just-in-time manufacturing.**

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## Key Solution Components

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### Industry

#### Automotive

### Applications

**IBM® Express Automotive Supplier Solution, a pre-configured, qualified SAP® Business All-in-One solution featuring SAP ECC 6.0, SAP Sales and Distribution, SAP Material Management, SAP Production Planning, SAP Quality Management, SAP Plant Maintenance and SAP Financial Accounting and Controlling, SAP ERP Human Capital Management**

### Services

**IBM Global Business Services®**

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materials if needed. This has enabled us to reduce stock-availability issues by approximately 20 percent, helping prevent delays to production.”

He continues: “We have cut both the time taken to issue raw material to the production line and the time required to transform raw materials into finished goods by 50 percent. As a result, we have reduced the time between a customer placing a new order and receiving the finished products to just 48 hours. Additionally, we have boosted delivery performance by around 20 percent, and reduced the risk of making mistakes that result in incorrect parts being sent to customers, so they avoid delays to their own manufacturing operations. Together, these improvements have sparked a 90-percent rise in reported customer satisfaction – a huge success!”

### Cutting out waste

Switching to SAP solutions has also enabled Agriauto Stamping Company to reduce raw material waste.

“Previously, we made bulk purchases of standard-size metal sheets, which then had to be cut down to the size required for the specific component we were making,” says Aqeel Loon. “This cost us time and

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#### Aqeel Loon

Head of Finance

Agriauto Stamping Company

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generated unusable offcuts. Now, our procurement team looks at which goods we will need to produce, and buys sheets of the correct size to match the products that customers have ordered. Because these sheets require less modification, production is now faster. Additionally, there are fewer waste offcuts.”

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**Syed Nasruddin**

Head of IT

Agriauto Stamping Company

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**Huge time savings and game-changing insights into profitability**

Agriauto Stamping Company also used the new SAP solution to automate many tasks performed by the finance department.

Aqeel Loon recalls: “In the past, we generated monthly financial reports manually using spreadsheets – a time-consuming, error-prone process. By automating this process using SAP, we have accelerated it from 22 days to just four, an 82 percent improvement.

“Moreover, the SAP applications

make it much easier for us to gain deep insights into our financial data. For example, if one of our suppliers changes their fee, we can quickly see the effect on the contribution margin of the relevant products. Similarly, we have a clearer picture of which goods are most profitable, enabling us to make savvier strategic decisions.”

**Building on early success**

In future, Agriauto Stamping Company is planning to implement SAP Business Objects to provide managers with detailed insight into company performance. Agriauto Stamping Company is also planning to use SAP Business Objects to forecast how many raw materials it will need to purchase to meet future customer orders, and how many employees it will need working in the factory on certain dates, and optimize staffing levels and material procurement accordingly.

“Engaging IBM Global Business Services and deploying SAP applications has enabled us to unlock major efficiencies across our operations,” concludes Aqeel Loon. “This places us in a strong position to grow our share of the auto components market, and establish ourselves as a leading supplier for this industry.”

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**Business Benefits**

- **Boosts delivery performance by 20 percent, increasing customer satisfaction by 90 percent and helping the firm win new business.**
  - **Accelerates manufacturing processes by 50 percent and reduces stocking issues by 20 percent, supporting fast, reliable production.**
  - **Shrinks time taken to compile inventory data by 66 percent, and speeds up creation of monthly financial reports by 82 percent.**
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