



Dabur: Creating Efficient, Cost-Saving Shared Services with SAP® Document Access by OpenText

When consumer products giant Dabur India Limited established a shared-service center to streamline its commercial transactions, it used the SAP® Document Access application by OpenText. By integrating the software with its deployed SAP ERP application, the company was able to drive consistency, enforce compliance, and improve efficiency of its commercial processes.

Partner



Executive overview

Company

Dabur India Limited

Headquarters

Ghaziabad, India

Industry

Consumer products

Products and Services

Hair care, oral care, healthcare, skin care, and home care products; food

Employees

3,000

Revenue

US\$910 million

Web Site

www.dabur.com

Partner

Accenture plc

BUSINESS TRANSFORMATION

The company's top objectives:

- Eliminate need for specialized staffing at each business unit
- Ensure consistency and full compliance of commercial transactions
- Build an efficient central team to handle commercial transactions for all business units

The resolution:

- Established a shared-service center to replace local handling of commercial transactions
- Deployed SAP® Document Access application by OpenText to centrally process documents arriving at manufacturing locations
- Leveraged current SAP business software to improve document and transaction visibility and speed up processing

The key benefits:

- Reduction in labor costs and cash requirements
- Better quality control, compliance, and payment visibility
- Complete recovery of tax credits

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TOP BENEFITS ACHIEVED

50%

Estimated improvement in productivity

3%

More value-added tax recovered

5%

Reduction in required operating cash

[See more metrics](#) ►

“We want all external documents that impact information in SAP ERP to be captured by the SAP Document Access application by OpenText and processed quickly and consistently by our shared-service center.”

Anil Garg, CIO, Dabur India Limited

Executive overview

Company objectives

Resolution

Business transformation

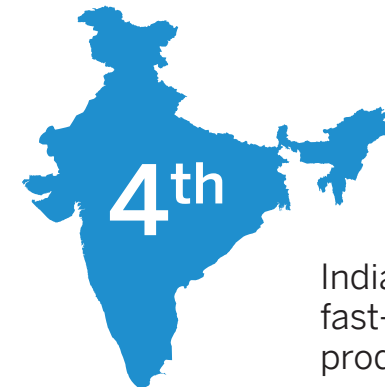
Future plans

Going paperless to support lean global operations

Since its modest start as an Ayurvedic medicine company in 1884, Dabur India Limited has remained dedicated to the wellbeing of people everywhere, by providing wholesome and holistic home, healthcare, and food products. It is that dedication that has helped Dabur become one of India's top-four fast-moving consumer goods companies. Dabur runs a global operation, with 20 cutting-edge manufacturing plants that make products for customers in over 60 countries. In India alone, Dabur's market reach is extensive, with more than 5,000 distributors serving over 2.8 million retail outlets.

Dabur is a fast-paced organization – particularly its manufacturing and other critical business units. “We wanted to help local staff at each business unit to stay focused on core functions,” says Anil Garg, the CIO at Dabur. “Unfortunately, critical commercial transactions like payments processing were being handled by people at each business unit; this was adding to our costs and often resulted in inconsistent and noncompliant transactions.”

Dabur recognized an opportunity to lower its operating costs by shifting all nonmanufacturing, commercial activities to a central location. “That would allow us to fully control the quality and consistency of these processes by using the specialized resources of a shared-service center,” explains Garg. “And that would preclude the need for adding more staff at the individual business units.”



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Leveraging SAP® software to make shared services a reality

Dabur needed to move away from paper-based processes where critical documentation like invoices, shipping and goods receipts, quality check clearances, and tax records were often lost. To achieve this, the company wanted to leverage the information and functionality in its deployed SAP® ERP application. “By adopting a document management solution that fully integrates with SAP ERP, we would have the visibility and control to ensure that our business transactions are processed with accuracy and uniformity,” says Garg.

After evaluating solutions from competing vendors, Dabur selected the SAP Document Access application by OpenText. “Our business units could scan the documents into the application, which would then link those documents with related transactions in SAP ERP,” Garg explains. “SAP

Document Access would also give our shared-service center staff a clear, consolidated view of our commercial transactions.”

Dabur teamed with Accenture plc to deploy SAP Document Access. The project team focused first on processes such as payments for material purchases, capitalization of capital goods, and central value-added tax (CENVAT) accounting. The application gives staff at the shared-service center a single-page view of every purchase order, including completion status and links to all associated documentation. “SAP Document Access makes sure that no payment is approved until all necessary documentation is captured and validated in the system,” says Garg.

“SAP Document Access application by OpenText tightly integrates with our deployed SAP business software to give us complete access to our information for faster, accurate document processing.”

Anil Garg, CIO, Dabur India Limited

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Documenting big benefits while still in the pilot phase

Although the shared-service model has been adopted in just three manufacturing plants, the feedback so far has been extremely positive. “The great reception from our people has been backed up by the numbers,” says Garg, who estimates a 50% increase in productivity. “SAP Document Access is helping us better utilize our staff, recover more cash, and fully comply with regulations.”

Purchase orders are now scanned and stored in the application, enabling the shared-service team to resolve issues around price, quantity, and product quality much more quickly. With improved visibility and control over these processes, the team has reduced operating cash requirements by 5% and recouped 100% of CENVAT taxes paid. The team has also accelerated the invoice verification process so suppliers are compensated much faster, and as a result, are much happier.

KEY BENEFITS

50%

Estimated improvement in productivity

3%

More value-added tax recovered

5%

Reduction in required operating cash

100%

Recoupment of CENVAT taxes

100%

Regulatory compliance

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Supporting rapid growth with less paperwork

Dabur plans to have all of its business units around the world fully supported by the shared-service center. Garg comments, “We’re building a new manufacturing plant in Sri Lanka; and because its commercial transactions will be handled by the shared-service center, the plant can run leaner with less staffing requirements.”

In fact, once all business units are supported by SAP Document Access, the company expects to improve employee productivity by as much as 60% and to reduce costs related to commercial transactions by a similar percentage. “We also plan to expand the range of services we offer our business units – including processing all service orders and financial receipts through SAP Document Access,” says Garg. “At the same time, we want to establish the shared-service center as an effective, results-oriented organization with service level agreements in place for everything we do.”



Quit

