



Planning Analytics Solution for Cement Industry

Prebuilt Accelerators of Technology

Business Challenges

Cement is an essential component of infrastructure development and most important input of construction activity, infrastructure and housing programs, which are necessary for country's growth and development. It is energy intensive and thus power costs form the most critical component in cement manufacturing, of about 35% of the total cost of production. The issues here are the fuel efficiency, unit power consumption and cost and availability of captive power. One more challenge comes from the industry being capital intensive, where the cost of setting up a new plant can be equivalent to about 3 years of revenue. Besides, it is cyclical in nature as the market and consumption is closely linked to the economic and climatic cycles. Due to this cyclical nature, only large companies can withstand this downturn in demand due to their economies of scale, operational efficiencies and geographical diversification.

In such dynamic conditions, it becomes important for cement companies to closely monitor their business and think of areas to optimize cost and maximise profit.

This can only be possible if the management is presented with the right information at the right time that enables in quick decision making. It becomes essential to have strong information systems in place in order to track execution and take appropriate actions.

Access to Right Information

Decision Makers have to be able to measure and monitor their business. They need to be able to dig down and determine the root cause of a particular situation. In order to do this, it is important to have strong analytical and reporting capabilities that give you the ability to look at historic data and understand trends. Setting a forward-looking view of the business becomes important as this can be measured and monitored against actual performance. The exercise of budgeting, planning and forecasting becomes mandatory in order to cater to dynamic business scenarios and to make sure that various departments of a company are working towards the financial targets.

However, companies struggle with extracting even the basic information as data is collected over emails, spreadsheets, presentations, phone, etc. and there is no single version of truth maintained across functions and hierarchies. There are no frameworks in place to analyze data, and scorecards and dashboards are pulled together manually. All this results in inconsistent regional or national views of the business as the traditional applications churn out limited information, which is not reliable and prone to errors.

Birlasoft Offering for Cement Industry

Birlasoft recognizes certain areas for optimization within the cement industry that can enable decision makers to get a sharper insight into their business. It is important for cement companies to have a strategic vision of their growth and create efficient operational plans to achieve those goals. Keeping this in mind, we offer the Planning Analytics Solution Model as an accelerator which is built on IBM Cognos platform. It is an accelerator, which will enable cement companies to do their Budgeting and Forecasting activities in an efficient manner.

We recognize the importance of doing the correct Fuel Mix, Raw Material Mix, forming the right Logistics link and arriving at the best average power rate, thus building mechanisms in the accelerator which enable users to settle for optimal mix. The accelerator can allow a cement company to track the costing of a plant by line and material, and also see the impact of this cost on profitability. What – if – Analysis on segment mix, product mix, logistics mix can also be carried out to analyze the impact on NCR/Bag. What's more is that all this can be done in real time, the impact can be seen directly on the income statement of the company. The accelerator is built in a way that it is fully customizable to specific scenarios of the company and can take care of the nitty gritty of the business!

1 Salient Features

A prepackaged Budgeting, Planning and Analytical tool specifically built for the cement manufacturing companies in IBM Cognos, TM1. It includes the following:

- Manufacturing and Marketing processes with key areas covered
- Fully customizable solution keeping pace with the business dynamics of the cement industry
- Preconfigured dimensions of the plant, chart of accounts, cost centers, region hierarchy, products, etc.
- Modular approach that allows further scalability of the models
- Shorter budgeting cycle
- Shorter implementation cycle, benefits of which can be passed on to the customer
- Unparalleled domain expertise

2 Pre-Built Modules

- Production Planning
- Power
- Landed Rate of Materials
- Mines
- Manufacturing Cost
- Logistics Cost
- Necked Cement Realisation
- What-if-analysis

3 Return on Investment

- Upto 50% Reduction in Budgeting Cycle
- Upto 25% Increase in Budget Accuracy
- Upto 20% Cost Optimization in Freight Charges
- Upto 30% Cost Optimization in Fixed Costs and Stores and Spares
- Upto 30% Cost Optimization in Raw Material Costs



RESOURCES

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Enterprise to the Power of Digital™

Birlasoft combines the power of domain, enterprise and digital technologies to reimagine business processes for customers and their ecosystem. Its consultative and design thinking approach makes societies more productive by helping customers run businesses. As part of the multibillion diversified CK Birla Group, Birlasoft with its 10,000 engineers, is committed to continuing our 150-year heritage of building sustainable communities.