

IMPLEMENTATION OF SAP PRODUCTION & SALES DISTRIBUTION



INDUSTRY LANDSCAPE

The Mining Industry across the world has shifted focus from manual processes and point solutions, to a single source of truth across the organization. This enables transformation from information silos to tightly integrated processes, leveraging the best practice provided by the SAP ERP solutions. SAP is the primary choice, and miners overwhelmingly prefer SAP for back office automation and front office agility.

THE OPPORTUNITY

NPMC management articulated improvements in three major pain areas – Reconciliation of Physical and Book Stock at different locations, Tracking of Production and Shipment Assays, Pricing & Compliance with statutory needs.

CLIENT BACKGROUND

Masan Resources is one of the largest private sector natural resource companies in Vietnam, currently developing the world-class Poly-metallic mining project, in northern Vietnam. Nui Phao Mining Co. Ltd. (NPMC, a part of Masan group) planned to streamline the production, sales, and logistics process, remove information silos and present organization wide integration in these functional areas.

We selected Wipro as our partner for the SAP Phase II implementation of Production Planning, Sales and Distribution, & Batch Management. Wipro's management had a good level of experience & insight, that enabled them to develop a good understanding of our business needs. Our SAP implementation with Wipro has helped NPMC gain operational efficiencies, with an improved visibility of costs and stock availability and automated sales, and transport documentation including invoicing. It has facilitated improved business unit cohesion and provided a single source of truth for business data within SAP.

Dominic Heaton
CEO, Nui Phao Mining Co. Ltd.

It was vital that we reduce revenue leakage through accurate commodity pricing, improve traceability of stock and have finished goods available before goods are sold. We went live with SAP implementation in 3.5 months, leveraging the best practice for Mining. With Wipro as an implementation partner and SAP, it is a great change in the way we will handle our business transactions now and in the future.

Subhash Ladda
ERP Manager, Nui Phao Mining Co. Ltd.

SOLUTION

Wipro's Agile Mining SAP Best practice solution was implemented in the scope and budget within 3.5 months, resulting in the client being able to do business better with:

- Enhanced Production Planning of finished goods such as Bismuth, Fluorspar, Tungsten and Copper production
- Management and Tracking of Run of Mine Stock levels and crushed ROM Production as well as stock transfer from mine to port
- Management of the quality of the products by Assay upload on a daily basis, with the use of Batch Management
- Enhanced Sales and Distribution efficiency, enabling the contract-to-cash cycle that included the integration between Weighbridge and SAP, and automated determination of batches to be sold based on Assays
- Alert mails, with Bag/Batch numbers, to the production team if Assays are not uploaded within a stipulated time-frame
- Real-time interface between Weighbridge and SAP puts a strict control on the outflow quantity, tracks loss in transit quantity, imposes better monitoring and reconciliation of stock across locations. A Sales Invoice based on the weight measured in the weighbridge, ensures near perfect revenue booking in the books of accounts

BUSINESS IMPACT

- Elimination of Information Silos and better integration between production and logistics delivery, by providing an early warning to the processing team, enabling them to take right decisions at the right time
- Batch traceability from production to sales, that helps in physical and book inventory reconciliation
- Sell Tungsten, Copper, Bismuth and Fluorspar end-to-end – from contract setup to customer settlement, in an automated fashion, thereby improving sales order cycle efficiency and plug revenue leakages, as well as improving auditability
- Manage master data like customer, materials & comprehensive price master, at a contract level, as well as tax and duty setups with the ability to revise price, tax and duty master as and when needed
- Integrated Weighbridge application to SAP, capturing weight directly from digitizer, removing human factor and imposing control in the process or inventory management

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