



“SAP has been instrumental in managing Suzlon’s dramatic growth - it has provided the strong back end support that gave the company the confidence to go public and meet stringent compliance needs.”

Rao, Head-IT, Suzlon Energy

AT A GLANCE

Company

- Name : Suzlon Energy
- Location : Ahmedabad, India
- Industry : Energy
- Products & Services : Wind Energy systems and solutions
- Revenue : Rs 1548 crores
- Employees : 1500
- Web Site : www.suzlon.com
- Implementation Partner : IBM, PwC India

Challenges & Opportunities

- Proper control of operations and activities across locations
- Integrate business processes across departments
- Better preparedness for future growth

Objectives

- Integrating all its business areas and improve decision making
- Help company go public

SAP® Solutions & Services

SAP® ERP application

Implementation Highlights

- 850 users leverage SAP ERP solution
- Implemented modules include FI/CO, MM, PP, PM, QM

Why SAP

- Comprehensive solution
- World class company and product
- Suitability to process industry

Benefits

- Faster book closure
- Improved operations control
- Better inventory management
- Faster order processing and improved customer satisfaction

Suzlon Energy

Global footprint. Large scale projects. Growing market demand. Asia's largest and world's leading player. Need for better systems and visibility into operations? Undoubtedly. Solution - SAP® ERP.

This, in short, is the story of Suzlon Energy, Asia’s largest integrated wind energy company and among the world’s leading players in the renewable energy industry. Suzlon’s cutting edge research, high quality products and solutions and reliable services have seen it grow, in a short span of time, into a world leader. The company has the distinction of having set up a one of its kind wind park with a capacity of 250 MW. The company has a presence in four continents and has projects across nearly forty locations.

The happy challenge of managing growth

As a player in the renewable energy space, Suzlon was experiencing great market traction. Business opportunities were pouring in from across the globe, and the company was also bolstering its research and operations capabilities by setting up offices globally. Given the nature of its business, the size of projects it handled and ambitious



growth plans, the company realized very soon that it needed robust systems to make available reliable information on operations in the right place and at the right time. The management felt that to focus on growing their business, they would need to be confident of the quality of their decisions, which in turn depended on the information that they had at their disposal.

At the time, however, the reality was quite different. Elaborates Rao, Head-IT, Suzlon Energy, "The total disconnect between factories, corporate head quarters and branches became a big hassle for the management. This problem manifested across different functions and resulted in delays. Closing of books and generation of financial statements took unacceptably long. The management did not have current information on inventory or cash flows. If left unattended, this situation was sure to impact Suzlon's ability to service its customers better."

Need for integration

The expectations from the IT system were straight forward - it had to support operations that were spread across geographies, and a business that was growing at a furious pace. The system should provide management with the much needed visibility into key business parameters and also help expedite MIS reporting as well as financial book closure.

Having decided on the broad objectives of the system, the company went about the process of selecting the right solution. Suzlon released an RFP with a clear articulation of their business

needs and processes. The vendors were asked to present their solution for Suzlon in their response. This, along with customer references, led the company to choose SAP ERP.

Given the company's global vision and thinking, they preferred a solution from a world class organization that would handle the rigors of their remote operations. Moreover, they found the TCO offered by SAP to be optimal and its suitability to their business the best.

Last, the maintenance and manageability of SAP's solution, including bandwidth requirements, was easily better than competing products including Oracle, according to Rao.

The scope of implementation covered materials management, financial control, sales and distribution, project management, plant maintenance and quality management.

IBM Global Services was Suzlon's implementation partner. The company chose IBM owing to their reputation and track record in handling complex implementations spanning multiple locations.

The implementation began with an 'AS IS' study and progressed to an articulation of the "To be" processes. The company preferred to implement SAP ERP without too much

customization for two reasons- to take advantage of best practices and to ensure manageability of the solution in the long run. The implementation took nine months, which was quite remarkable given that it covered 47 remote locations.

There were many factors that contributed to the success - "Total support from the management, motivated internal team and competent implementation partner were the key. Above all, we realized that there was no way we could grow without an integrated system, and that gave sufficient impetus and drive to all concerned," says Rao.

In another league

The SAP implementation has transformed the business processes at Suzlon and given the company a great platform for growth. An internal exercise to evaluate the benefits from the implementation reveals the following - In the area of financial and controls, there has been a three fold improvement in maturity across key processes such as financial reporting, product costing and invoicing. Periodic reporting, for instance, improved to a score of 9 from a poor 3.2, while invoice verification got a perfect 10 post implementation from a below par 4 pre implementation.

Improvements in sales and dispatch were less dramatic but


positive. Order processing now recorded a score of 7.5 against a pre implementation 4.4. The customer service process has matured considerably with a score of 8.8 and project management processes are all at a maturity level of 8 compared to an average of 6 pre implementation.

"SAP has been instrumental in managing Suzlon's dramatic growth - it has provided the strong back-end support that gave the company the confidence to go public and meet stringent compliance needs."

Says Rao

In short, SAP has been the strong backbone that has allowed the company to sprint ahead.

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