

Lattafa Perfume LLC, Dubai

Application for Perfume Industry



FACTS

Company

LATTAFA PERFUME LLC,
DUBAI

Industry

Perfume

Geography

UAE

THE COMPANY

Micropro's 'e-Business Solution' ERP is excerpt of excellence blended with technical expertise in handling large transactional systems with latest suitable technology offering, experience of working in multiple domain & variety of users, customer's operational challenges addressed in earlier implementations, technology & functional experts consultant contribution from time to time. The application is customized to accommodate & consolidate Multi-Businesses Multi-Location Trading / Manufacturing Unit with industry specific vertical domains. This has resulted in the strategic standardization of functional flow considering future expansions to support most of the industry vertical specific mandatory as well dynamic requirement. The application is matured enough to accommodate standard operational flow of any Industry, however, while developing we have tried to meet utmost ease of operation for user by maintaining security, standardization & Managements expectation aspect.

LATTAFA is inspired by the term "verve" used for passion and energy, which portray in their brand, quality & management team. Their passion is also reflected in Management team consist of Family & close relatives, who are the main pillars / contributor of their business in respective expert area's. The next generation is guided & trained by senior management with their industry experience & co-assisted by new generation's expectation from product & Industry. Group has planned for massive expansions by entering into other beauty products range apart from capacity enhancement in their existing product range (such as Perfume, Deodarrant, Attar, Air Freshners, Body Spray, Body Splash, Bakhoor etc.), currently, group has turnover of approximately 500 Million.

Group was using standard IT solution in VPN environment, normally such solutions used effectively for Single Location Business House mostly trading. The solution was very user friendly, but it was not supporting management to control, monitor their industry operations efficiently & effectively. MIS reporting provided in the existing solution was not competitive enough to meet managements decision making expectation for expansion plans. Currently, Lattafa has about 20,000+ items out of which 5,000+ are finished goods offering in different product range variety. The range is divided into Lattafa own product & customer specific project. Management was frustrated with stock mis-matches in Raw Material, Finished Goods & invisible losses from stores receipt to finished goods delivery & sales / purchase return process. Most of the process reporting was carried out manual physical formats or in excel sheets. Management was fully respective manpower dependent & reactive basis. Missing real-time MIS was the bottle neck to support meeting timely market requirements, plan raw material inventories for execution of production processes.

Long credit cycle is standard market requirement for Perfumery Industry, it was very difficult to maintain fund flow & decided margins to support existing industry requirement & expansion plans during industrial slow down. Therefore, new generation thought of taking IT automation to next level for business monitoring & to overcome challenges in operations mis-managed to process driven approach, reducing hidden losses, pro-active reporting to manage Raw Material / Finished Goods inventories.

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Mr. Sheikh Shahid Ahmad, a highly acclaimed visionary Managing Director of Lattafa Group awarded an opportunity to Micropro Software Solutions Pvt. Ltd., Sharjah for implementing 'e-Business Solution' ERP system. Mr. Shahid given full liberty to suggest best Industry Standard Solution. However, he clearly acclaimed stage-wise plan to reach desired level to incorporate IT automation in his industry. From the very beginning MD was very clear about his requirement, availability of resources, level of available resources, their working patterns.

CHALLENGES & EXPECTATIONS

Micropro's 'e-Business Solution' (An Business information automation solution) designed to standardize yet accommodate localization expectations. Through our experience, it is observed that any family running same business / industry. Owned & operated by 2 real brothers their operational / monitoring methodology differs from each other. Our Team assists customer by offering needed leverage to customize while configuring application to meet the expectation suiting to environment & user comfort.

- The automation need to cater 3 discrete Manufacturing Facilities (2 facilities of Manufacturing Perfume & Attar), 1 facility Deodorant, Bakhoor & Raw Material processing to support final product manufacturing Process. These facilities & co-assisted 13 Stores were located @ different geographic locations. Locations were not interconnected in respect of IT automation; as a result data was maintained either in MS excel sheets or manual formats designed for middle management reporting & tracking purpose. The relative reported data of Stock Inventory, Raw Material was consolidated into existing system at later stage after validation. Also procurement was happening through multiple sources & destination by the authorities over telephonic or email communications as a result missing information about commitment from vendors & difficulties in tracking pending commitments, no clear understanding how to manage common Raw Material Inventory commonly used for manufacturing process of multiple products / projects final deliverable (Finished Goods). As result lot of negative stock or excess stocks status as per the system. The methodology of operation clearly indicates the space to manipulate data knowingly or un-knowingly, which finally result into mis-match.

Apart from operational inefficiencies, there was no dedicated IT Staff to support the users. Management Lattafa want to focus on following challenges through Automation:

- **MIS Reporting for Pro-Active Monitoring:** Shift over from Person dependent to System driven MIS Reporting such as Cash Flow Monitoring, Bank Balances, Recovery Ageing Analysis, Production- Procurement Monitoring Finance Activity to support expansion plans.
- **Reduction in Wastage:** Most of the time stores were physically handled on LIFO basis instead of FIFO / Expiry associated Batch or LOT basis resulting dead stock piling / too old un-used / rejected stock considered as available stock increase in wastages.
- **Optimize the Production Capacity Utilization:** Un-utilized production capacity due to un-planned production schedules as a result loss of time in change-over machine schedules.
- **Loss of resources time (Man-Power):** Avoiding repetitive similar administrative nature work either manual / excel sheet reporting etc.

MICROPRO'S SOLUTIONS OFFERING

Any Formulary based Volume Multi-Process Product Manufacturing & Refilling Industry requirement can be handled by Micropro's 'e-Business Solution'. Such Formulary based or chemical industry thrives on consistent quality which helps to perform at par excellence in market share. However, such industry is interested to keep their formulary as trade secrets to drive their brand to create global value & brand image reputation of Industry.

Looking to the expectation & Lattafa Industry requirement, Micropro has incorporated following features & functionality

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to address the management challenges:

1. **Web Based Solution:** To address the requirement of multi-location operation requirement, real-time data availability & future expansions. Micropro offered Web Based 'e-Business Solution', the solution can be operated in LAN, WAN or VPN environment. The system is developed & deployed in 3-Tier architecture (i.e. Application, Database, User for interfaces & Master, Transaction, Report for access). The system is capable to maintain tight security controls through User Based & Role Based access rights.
2. **BOM (Bill of Material) Creation Functionality:** The 1st & foremost important requirement to maintain product / process compositions secured at the same time dynamic at transactional level. Micropro has delivered dynamic BOM creation functionality, wherein administrator or authorized user of the functionality can himself define the BOM in single or multiple processes. Also, offered conscious liberty to modify the BOM @ transaction level without disturbing original BOM & additional feature to upload image of Items, so as can be used for future references & quality audit trails. This will also help the middle management to maintain process-wise material engagement & maintaining business secret.
3. **Mis-Management in Inventory:** Solution has powered with customer definable dynamic item configuration features by dividing items into Item Group, Item Category, Item Code Schema, Item Allocation / De- Allocation for flexibility & control over Raw Material & Finish Goods Inventory & Analysis. Application can be accessed from multi-location document generated @ sourced location brought clarity & transparency in Inventory Movement & tracking. This will also help management as a bird eye view on requirement vis-à-vis consumption with probability for future procurement schedules, stock analysis. Current physical stock handling system is replaced with option Early Expiry / LOT / FIFO basis material storage & issue. We have also provided system by defining dynamic Rack configuration in Master size in L X B X H to storage & space management calculation & exact stock tracking feature by defining position of stocks stored in racks, bin etc. However creating Rack, Bins & stores locations are dynamic in nature so as administrator / authorized user can easily create as per necessity.
4. **Production Planning Functionality:** Micropro delivered customer configurable production capabilities facility (mixing equipment, refilling & automated packing belt etc.). Depending on production capacity, capability team manufacturing can envisage their schedules to manage activity relentlessly. This is ultimately associated to optimize Machine / Resource capacity finally resulting effective usage & enhance Production Capabilities. Due to process driven approach, tracking inter- connected processes, management will be able to bring tight control over wastage.
5. **Effective use of Resources (Man-Power):** Increased Inter- Departmental; Inter-Location Communication, real-time data exchange by every user by processing information from the source resulted reduced man-power efforts, understanding on other dependencies on them to prepare documentation & visibility reports. Information will be available for TOP & Middle Management for faster decision making for to address challenges.
6. **User Friendly Feature's:** As user has used earlier limited functionality version automation for the years & already adapted by the user. User's were very happy with its flexibility to each user, which was unable to meet management expectation. Micropro has curbed these challenges to meet user requirement through following features:
 - Group & Categorize Items to ease search in daily operations & MIS reporting.
 - Facility to add bulk items through group-wise selection on Sales Order stage.
 - System support to associate set of items during Customer Agreement / Party Master to reduce user

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efforts & can be used to keep track of commitments (payment terms, products/items) & logic based parameters for free quantity to be released against Order.

- Logic Based Leave / Gratuity / Perk Settlement / Final Settlement.
 - Single Salary processing for 8 different sponsors (8 SIF file) for monthly mandatory file submission in SIF format.
 - Maintaining attendance from Source location depending on organization decision (daily/weekly/monthly).
 - Auto / Selection basis AP & AR posting manually after validation.
 - Post Dated Cheque's accounting
 - Online Requisitions / Receipt / Issue's source location.
 - Features such as stock allocation & de-allocation for Production Process as well as for Sales Activity brought drastic control & visibility apart from ease in day to day operations.
7. **Single Window Solution:** Micropro enabled a single window vendor option for Lattafa to manage all services including application maintenance and infrastructure management during the Implementation period. It helped Lattafa Perfumes to bridge the gap of missing dedicated IT Administrator.

We recommended remote infrastructure management services that delivered enterprise wide support to all facilities on the network from a single location. Dedicated Service Delivery Managers were employed as the single point of contact to handle key responsibilities and proactively address issues— consequently, reducing the number of people engaged for a task, and the corresponding delay involved at multiple stages.

Solution is deployed on HP DL380 Server's using open source technology stack like Red Hat Linux, Tomcat Application Servers and Oracle as Database. Management Lattafa is coming up with another manufacturing set-up. They can use same ERP Infrastructure for the functionality delivered in existing setup. Their additional requirement can be easily mapped within existing system as localization requirement. Customer is maintaining cost effective Infrastructure redundancy with same configuration server & data backup through backup script configured & monitored by our team.

RESULTS AND KEY BENIFITS

The initiative taken by Mr. Sheikh Shahid Ahmad helped Group's middle management (departmental heads) improved decision making & performance due to Process clarity, distribution of documentation work for direct reporting from centralized to source location, transparency & visibility in their respective area's of work are the administrative benefits.

Micropro has provided vast MIS Report, Management Dashboard to monitor & manage the business effectively. Few MIS Reports for the respective authorities are list here such as Cumulative Stock Position, Variety Sales Register (i.e. Local-Export Sales, Currency-wise Sales, Representative / Region-wise, Work Order wise Production Status, Pending Sales & Work Orders, Process / Item-wise Wastage. Pending PO's against Work Orders, Age-wise Debtors & Creditors Outstanding, PDC Issued & Received Report).