



Real estate developer gets real-time, visible benefits with ERP solution

Overview

Country or Region: India

Industry: Real estate

Customer Profile

Mfar Holdings is a leading real estate development company offering a range of project and property management services.

Business Situation

As a growing company, Mfar needed an enterprise resource planning system that would allow it to monitor purchase requirements and inventory, and get accurate, up-to-date information.

Solution

With Microsoft® Business Solutions–Axapta® Mfar is now able to integrate its planning, purchase, inventory and finance applications, and connect multiple sites.

Benefits

- Ability to monitor and forecast inventory
- Get custom reports as needed
- Improve operational efficiency

“The biggest advantage was that Axapta, with its Windows Explorer look and feel, was quite intuitive in terms of ease-of-use.”

Vinod Menon, Financial Controller, Mfar Holdings

Mfar Holdings (Mfar) is a leading real estate development company offering a range of project and property management services to suit a diversity of requirements. Its main transactions are related to the purchase of construction materials such as steel and cement. Mfar initially used Tally to maintain these transactions, but the application was unable to scale up to the project planning and forecast levels that Mfar required. Mfar needed an enterprise resource planning system that would generate the right return on investment, be easy to use, and be able to connect to remote sites. Mfar evaluated Oracle and SAP before selecting Microsoft® Business Solutions–Axapta® (now part of Microsoft Dynamics™). Mfar now expects to get the right information for its planning process, obtain custom reports as needed, and improve operational efficiency through the tight integration of different processes.



www.sonata-software.com
www.sonata-infotech.co.in



“Tally didn’t yield to any of these aspects, and as we scaled up, we realized the need for a serious planning and accounting system.”

Vinod Menon, Financial Controller,
Mfar Holdings

Situation

Mfar Holdings is a leading real estate development company offering a range of project and property management services to suit a diversity of requirements. It has over seven years’ experience in the development of institutional buildings, commercial complexes and residential areas.

Mfar is presently involved in the construction of two flagship projects. The first is a 1,000,000 sq. ft IT facility, at an approximate cost of US \$20 million, which will be the campus of the Philips Software Center. The second is the 175,000 sq. ft. Mfar Silverline Technology Park, a US \$5 million project located at the Export Promotion Industrial Park.

The operational model of Mfar involves purchase of land and the main material items such as steel and cement, and then outsourcing different aspects of the construction to multiple sub-contractors. It has about 15-20 sub-contractors working on a project at any given time. Its ongoing activities are related to the purchase of materials, project planning and finance.

Mfar’s initial transactions were maintained in Tally. However, a key issue was that the central office was disconnected from the site offices where purchasing decisions accounting for 40-50% of Mfar’s total materials expenditure take place.

A crucial requirement, therefore, was for connected project planning and materials management. Mfar needed the ability to forecast demand and supply of key materials, monitor the costs, plan movement of goods and obtain an inventory status at any time.

“Tally didn’t yield to any of these aspects, and as we scaled up, we realized the need for a serious planning and accounting system,” says Vinod Menon, Mfar Holdings’ Financial Controller. A major step towards achieving this vision was to perform all accounting

functions, project planning and inventory control on one system.

The solutions initially considered included SAP (which was being finalised at Mfar Holdings’ sister organization, Mfar Constructions), Oracle, JD Edwards and Microsoft. The compelling need was to have real-time material control, online project status, resource visibility across the enterprise, and up-to-date accounting information.

Menon explains: “There were three main factors that influenced the decision-making process: getting greater economic returns from the money invested, the ability to connect to remote sites even through a dial-up, and a familiar interface that even a new user can manage without going through a long training period.”

These factors led to the selection of Microsoft Business Solution-Axapta (now called Microsoft Dynamics – AXP). “The biggest advantage was that Axapta, with its Windows Explorer look and feel, was quite intuitive in terms of ease-of-use,” says Menon.

Solution

Mfar worked with Sonata Software, a Microsoft-certified Gold partner, for the implementation. From the start, Sonata Software involved key users and took them through pre-implementation training. This familiarized users with the end product and aided the roll-out process. An Enterprise Design Document illustrated the way in which Microsoft Axapta would handle different processes. Users were shown a pilot test case and, in parallel, data migration from the legacy Tally system was undertaken. After four months, the system went live.

The main Microsoft Axapta modules being used by Mfar Holdings are:

- Finance 1
- Finance 2

“The three main benefits... involve generating information that will influence planning... provide custom reports... and integrate finance, inventory and planning operations.”

Vinod Menon, Financial Controller,
Mfar Holdings

- Fixed Assets
- Trade and Logistics

The Indian localization of the system included taxation customization, addition of cess as a field in the Tax Deducted at Source (TDS) process, calculating TDS on the gross amount and not the net amount, and other aspects. Another customization was the adding of an ‘indentation’ feature, to create a request for an item before a formal purchase order is issued.

The solution also dealt with key issues for Mfar: the automatic calculation of localized statutory needs, generation of statutory legal documents as per Indian Acts, and the Indian bank check format. Vertical specific requirement like work orders, job orders and identifiable quotations which were not available in Microsoft Axapta were also developed by Sonata Software.

Benefits

Says Menon: “The three main benefits from the system are the generation of information that will influence planning decisions on material and thereby save money; the provision of custom reports as per our needs, and the integration of finance, inventory and planning operations.”

Better information insights

Through the integration of project planning with finance and inventory operations, and thanks to the ability to connect local sites through various modes (dial-up included), Microsoft Axapta is now able to provide Mfar with accurate and up-to-date information on materials movement and prices. This allows field managers to take an informed decision with respect to purchases of key items such as steel and cement

Faster generation of reports

Previously, generating reports depended on a manual process of ‘cut and paste’ from disparate sources. Now Microsoft Axapta can

generate over 200 standard reports as well as custom reports developed for Mfar’s needs, and in less time.

Reduction in data-entry time due to tighter integration

The integration of project planning, finance, and inventory means that financial transactions such as auto-bill settlement, cash flow management and other processes can be automated. With a streamlined process and a single data-entry point, operational time has been reduced.

For More Information

For more information about Microsoft products and services, call the Microsoft Sales Information Center on (800) 426-9400. In Canada, call the Microsoft Canada Information Centre on (877) 568-2495. Customers who are deaf or hard-of-hearing can reach Microsoft text telephone (TTY/TDD) services on (800) 892-5234 in the United States or (905) 568-9641 in Canada. Outside the 50 United States and Canada, please contact your local Microsoft subsidiary. To access information using the World Wide Web, go to: www.microsoft.com

For more information about Sonata Software products and services, call 91 80 26575800 or visit the Web site at: www.sonata-software.com
www.sonata-infotech.co.in

For more information about Mfar Holdings products and services, call 91 80 51217471 or visit the Web site at: www.mfarholdings.com

Microsoft Dynamics

Microsoft Dynamics is a line of integrated, adaptable business management solutions that enables you and your colleagues to make business decisions with greater confidence. Microsoft Dynamics works like familiar Microsoft software such as Microsoft Office, which means less of a learning curve for your people, so they can get up and running quickly and focus on what's most important. And because it is from Microsoft, it easily works with the systems your company already has implemented. By automating and streamlining financial, customer relationship and supply chain processes, Microsoft Dynamics brings together people, processes and technologies, increasing the productivity and effectiveness of your business, and helping you drive business success.

For more information about Microsoft Dynamics, go to: www.microsoft.com/dynamics

Microsoft Business Solutions–Axapta
Now Microsoft Dynamics .AX

Software and Services

- Microsoft Dynamics
 - Microsoft Business Solutions–Axapta

© 2006 Microsoft Corporation. All rights reserved. This case study is for informational purposes only. MICROSOFT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS SUMMARY. Microsoft, Axapta, Microsoft Dynamics, and Windows are either registered trademarks or trademarks of Microsoft Corporation or Microsoft Business Solutions ApS in the United States and/or other countries. Microsoft Business Solutions ApS is a subsidiary of Microsoft Corporation. All other trademarks are property of their respective owners.

Document published May 2006

Microsoft[®]