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To prepare for growth, Schott Kaisha enlists Deloitte for business transformation with SAP S/4HANA®

For Schott Kaisha Pvt. Ltd, an Indian maker and distributor of pharmaceutical packaging, delivering exceptional products and services to clients has long relied on strong processes and systems behind the scenes. But in recent years, as a homegrown ERP began to show signs of aging and an inability to keep up with the evolving demands of the pharmaceutical industry, Schott Kaisha began looking for a modern solution.

The company's existing ERP—one that had supported Schott Kaisha for more than seven years—was showing its limitations on two fronts. For one, the system lacked integration with payroll

and finance, presenting significant challenges for routine planning as well as strategic decision-making.

Secondly, the legacy ERP simply could not cater to the company's growth requirement, according to Eric L'Heureux, director of operations for Schott Kaisha. The existing solution simply wasn't built to evolve along with the company, which employs about 2,600 people.

Focused on future growth

"Our system was originally designed specifically for the pharmaceutical industry," L'Heureux said. "While we work very closely with those in the

industry, we are not a pharmaceutical company. So the software was limiting for us, specifically around our manufacturing needs."

Manufacturing growth has been a central focus for Schott Kaisha. The company produces about 7.5 million units per day—mostly vials and ampoules for more than 100 customers in India and overseas. On average, Schott Kaisha could see 7 million units rolling off of its production lines daily. And the work is expected to grow, increasing in step with the 5 percent annual growth rate being seen in India's pharmaceutical packaging industry.

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A modern approach

To get ahead of challenges associated with growth, company leaders decided in early 2016 to replace the existing ERP with SAP S/4HANA, SAP®'s premier software suite for supporting the digital core of the enterprise and beyond. Within the company, decision-makers had been discussing the potential of SAP S/4HANA for more than a year and considered it “nonsense” to continue with their homegrown ERP.

“We made a well-thought-out decision to move from the legacy ERP system to SAP, as we were well aware about the challenges we faced during our earlier ERP implementation. In fact, even before the implementation began, we clearly laid down our concern areas and expectations from the SAP system. This advance preparation helped us to focus more on the critical areas while implementing SAP.”

Rohit Sarmalkar
Director of Finance, Schott Kaisha

SAP S/4HANA—with its support for real-time analytics, its intuitive user interface, its simplicity, and its enabling architecture—stood out as the clear choice for the company.

“We chose SAP software because of the reputation of the system, the fact that our joint venture partner, Schott, had rolled out SAP worldwide, and most importantly, SAP S/4HANA met our requirements for full integration of the modules we need to support the growth of the business,” L’Heureux said. “Everything could be serviced under the same umbrella.”

According to Rohit Sarmalkar, director of finance for Schott Kaisha, doing the homework was essential. “We made a well-thought-out decision to move from the legacy ERP system to SAP, as we were well aware about the challenges we faced during our earlier ERP implementation,” he said. “In fact, even before the implementation began, we clearly laid down our concern areas and expectations for the SAP system. This advance preparation helped us to focus more on the critical areas while implementing SAP.”

But company leaders required help on their SAP journey, and Deloitte emerged quickly as the clear choice to collaborate with Schott Kaisha on the transformation. From the beginning of the transformation project, Schott Kaisha leaders worked with Deloitte to revisit business processes through a business lens, not just a technology lens.

Throughout the project, clear deadlines, targets, and expectations drove the work—to help Schott Kaisha maintain momentum and keep disruption to the business at a minimum. “Critical for the project was improving the quality of service to our customers,” L’Heureux said. “We didn’t want to stray off course from this objective.”

Schott Kaisha and Deloitte kicked off the SAP S/4HANA transformation project in May 2016, going live with SAP S/4HANA

Finance in five months (October 2016), exactly 110 working days later—followed by additional modules for controlling, sales and distribution, materials management, production planning, quality management, plant maintenance, customer relationship management (CRM), project systems, and human capital management (HCM).

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Eric L’Heureux
Director of Operations, Schott Kaisha

Bracing for benefits

Standing up modern digital functionality with SAP S/4HANA and help from Deloitte has put Schott Kaisha on a path to new value. What kind of benefits do company leaders expect to see as a result of the transformation? Here’s a look at some of them.

Growth and growth. A new, highly integrated ERP and a modernized core should support the company as it grows—allowing the company to conduct more efficient digital transactions, rapidly scale activities in response to customer demands, and operate with a more reliable system at the heart of the business. But the new SAP S/4HANA functionality also provides Schott Kaisha with a tool to help drive new growth. SAP S/4HANA can provide the company with greater financial visibility and new actionable insights to support strategic decision-making and new business development. It also can deliver new efficiencies to bolster the bottom line.

Streamlined simplicity. The SAP S/4HANA transformation has provided a simplified, scalable IT infrastructure for the company, meaning Schott Kaisha

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can reduce its dependency on internal IT services. With SAP S/4HANA now tightly integrated into the business, company leaders also have streamlined their supply chain, improving the speed of business and improving visibility into transactions. With simplicity and streamlined operations on multiple fronts, the company can now look for new opportunities for value, as well as new efficiencies.

Productivity. Working with Deloitte to address business processes has meant cleaner data and more automated processes. Gone are thousands of descriptions for inactive inventory items, for example. Greater information accuracy—plus new processes that replace manual cut-and-paste methods—means employees can get their work done faster, and they can provide answers to questions faster. It also means that decision-makers at Schott Kaisha can spend less time sifting through information and more time thinking strategically and supporting growth objectives.

Why Deloitte?

Schott Kaisha relied heavily on assistance from Deloitte during the SAP S/4HANA transformation—with help ranging from business guidance to systems integration. To address the needs of the project and support Schott Kaisha's objectives, Deloitte leveraged a focused set of core competencies.

Deloitte employed a “business first” approach to understand existing business processes, how Schott Kaisha could improve them, and how a realigned set of processes could work within a modern SAP landscape to deliver new value for the organization.

Deloitte also leveraged its long history with SAP to guide Schott Kaisha on its transformation journey while helping to align the organization's activities and business goals. Throughout the project, Deloitte relied on the combined industry-specific experience of its global network, which includes more than 16,000 business and technology professionals focused specifically on SAP.

In addition to deploying proprietary accelerators to jump-start the project and deliver value sooner, Deloitte also has used its Enterprise Value Delivery methodology to guide the transformation at Schott Kaisha. The methodology brings an integrated, multidisciplinary implementation approach for providing consistent delivery across system projects. Specifically, it helps ensure that activities are linked to business results—not simply technical requirements—throughout the transformation process.

Contact us

Moving from old technologies to new SAP solutions can offer any organization an opportunity to unlock new value. Beginning the journey can prove challenging, however. Deloitte can help. Our deep experience in SAP solutions, our global network of professionals, and our focused industry know-how allows us to get you moving swiftly toward results that matter. If unlocking new value is a priority for your organization, we should talk. Contact us to get the conversation started.

Vivek Kulkarni

Partner

Deloitte Touche Tohmatsu India LLP

Email: vivekk@deloitte.com

[@vivekk34565977](https://twitter.com/vivekk34565977)

Sachin Bedekar

Manager

Deloitte Touche Tohmatsu India LLP

Email: sbedekar@deloitte.com

[@sachinabedekar](https://twitter.com/sachinabedekar)

www.deloitte.com/SAP

SAP@deloitte.com

[@DeloitteSAP](https://twitter.com/DeloitteSAP)

Impacts from transformation

- Growth enablement
- Streamlined IT infrastructure
- Simplified business processes
- Greater data accuracy and automation
- Enhanced productivity

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