BATCHMASTER®
Process Manufacturing Software

Hertz Chemicals Ltd. cuts spending on dead inventory by 25%, increases working capital and profitability

Customer
Hertz Chemicals Ltd

Industry
Perfumes & Cosmetics

Location
Mumbai & Daman
India

Solution
BatchMaster
Enterprise

Company Overview

Since the early 1980s, Hertz Chemicals Ltd has aimed to revolutionize the Perfumes & Cosmetics manufacturing sector. Today, Hertz Chemicals Ltd is one of the leading manufacturers of export quality perfumes in India, spreading operations and immaculate products in more than 29 countries the world over! Top-notch quality & products at an honest, affordable prices - that's the vision with which Hertz Chemicals Ltd is founded; and it's the same vision that has catapulted Hertz - Perfumes & Cosmetics from a small local business, to its current & widely acknowledged stature, as a global player with exciting products and solutions.

Challenges

Initially, Hertz was using a leading Indian Finance software. To eliminate the immense labor of manually calculating and planning purchases and production, they opted for a customized "MRP –Solution" which was integrated to their financial package. But the product couldn't prove itself apt for Hertz, and they faced a number of issues like:

Hertz follows Make-to-Order model. The global demand of its products necessitates complex production & inventory planning as well as procurement planning to produce Finished Goods to meet these Sales Order demands on the promised dates. They have been manually calculating the required quantity of each component raw material to fulfil the demand arising from the production orders. And generating Purchase Orders according to that. This involved a lot of complex manual calculation and that was both inaccurate and time consuming.

They had a complex production process involving multiple steps that sometimes need to be performed simultaneously. An entry of these batches couldn't be made depriving them of any clarity about what is the output each step.
Moreover, they lacked an overall picture of their inventory leading them frequently to the condition of under-stock or over-stock.
Integration of these operations with finance to figure-out working capital that can be again used in the business was also essential to them.

HERTZ
PERFUMES & COSMETICS

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Mr Mustafa Mun, Director,
Hertz Chemicals

Shaking-hands with BatchMaster

Hertz thus looked for an integrated business management software solution to successfully manage its operations. After an intense research and comparisons, Hertz chose BatchMaster ERP as its business solution. Mr Mustafa Mun, Director, Hertz Chemicals, explains why they chose BatchMaster ERP to manage every aspect of their business, how the solution has helped meet the international demand & opened international growth opportunities, and at the same time delivered huge savings in inventory overspending. Hertz has selected BatchMaster ERP at both its production facility at Daman & the corporate office in Mumbai, to efficiently manage its Production, Sales, and Purchase operations with seamless integration to existing Finance package used by the finance department at the corporate office. Thus giving Hertz a complete visibility & control over its business.

He says, "It was great that BATCHMASTER Implementation Service team put tremendous effort implementing the solution at our plants in Daman and at our corporate office at Mumbai. They have also integrated the BatchMaster ERP new solution to our existing Finance solution, giving much relief to our accounting & finance department. Our production facility & corporate office are now integrated, giving a single view of the business and taking decisions easier. All this happened in straight 2 months".

Benefits

Hertz's move to BatchMaster was driven by the need to streamline its operations and reduce the substantial costs entailing in inventory and production mismanagement. And they saw a significant improvement along the length and breadth of their business.

Efficient Planning

They need to figure out the raw materials required corresponding to the production orders generated to fulfil the sales Order. With advanced production planning features they are now able to convert their sales order directly to a production order with a click. Finished goods production orders are planned based on existing (on-hand) raw materials. And then plans for Purchase Orders of raw materials for the balance quantity of finished goods to meet the Sales Order demand are defined. Thus eliminating over/under stocking & unnecessary spending on Inventory but resulting in a better cash flow management.

Batch Production Tracking

Batch processing at Hertz takes place in six complex and independent steps. Intensive calculations had to be done to find out the output from each step and then synchronizing the quantities of each step to churn-out the desired finished good quantity. BatchMaster efficiently linked together all these steps through its SuperBatch functionality using which, an entry of Finished good batch automatically creates the sub-batches corresponding to the five steps along with calculating the quantities of raw materials required in each step. The Raw Material Requirement Analysis report helps them to check, beforehand, how much raw material is required, thereby helping them to arrange it in advance and thus relish continuous production. They can even accurately track & measure the consumption & losses corresponding to each batch. Any loss of raw materials or breakage of packaging materials (glass bottles), etc., can be attributed to the particular batch and hence, can be cost attributed, reflecting the accurate cost of production.

Financial Integrity

The accounting staff also greatly benefits from the BatchMaster Tally seamless integration. Upload/download is possible with no possibility of manipulation. Data is secured yet easily available to the ones with appropriate rights. They can now prepare their financial statements faster and can have all the information they need- cost of production and

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Mr Mustafa Mun, Director, Hertz Chemicals

associated losses, which vendors have submitted the bills, which customers have received the invoice but not yet paid, how much inventory in monetary terms is available in the warehouse, etc. This enabled them to act faster on finance related matters and keep the cash moving.

More Productivity
They now have access to all the data that has a knock-on effect into making the process a lot smoother. As Mr. Mustufa Mun says, "The difference between us now as a business and before is that we've been able to do more with less resources." Earlier they had people working manually or with elementary softwares to generate Production Plans reports. Though their service level was still very good, but it meant that people were being forced to spend hours in manual effort and that was also prone to errors, causing risk to their production plan & final SO fulfillment commitments, as they are made-to-order business. But BatchMaster has helped them save time, effort and scope of error. They have saved on, of course, the cost

associated with all this including the cost of lostsales and loss of reputation due to delay beyond the promised date in sales order fulfillment. He continues, "We now have complete visibility & control over our business."

Meeting Compliance
This is yet another major benefit that indirectly saves them money and improves their brand value. With BatchMaster they were able to perform Quality Control quickly yet effectively at the time of receiving and also during production. This helps them assure the quality of their products and be confident in the market over their competitors. The FDA compliant report helps them stay audit-ready for unexpected events without much manual preparation or hours of chaos.

About BatchMaster Software
BatchMaster Software (an ISO 9001:2008 Certified Company) is a leading provider of ERP solutions that help formula-based process manufacturers streamline their operations and scale production, while reducing costs and complying with changing customer demands and ever more stringent regulatory mandates. The company delivers industry specific solutions for Food & Beverages, Nutraceuticals, Life Sciences, Cosmetic & Personal Care, Chemicals, Paint & Coatings, and other process industries. BatchMaster ERP is seamlessly integrated with SAP Business One, Tally, and Sage 100 & 300 ERP, and is available on both - on premise and on cloud.

Contact Us
BatchMaster Software | Brilliant Solitaire, Plot 6-A, Office 201-A to 204-B, Scheme 78, Part-II, Indore-452010. +91-731-4008031/35
www.batchmaster.co.in
23191 La Cadena Drive, Suite 101, Laguna Hills, CA 92653 | 949-583-1646 | sales@batchmaster.com