

Implementation of **VIENNA Advantage ERP and CRM solution**

A success story of implementation of VIENNA Advantage Open Source ERP & CRM at one of the top 10 downstream companies in the oil industry, and a regional leader in industrial and automotive lubricants in the Middle-East.

This case was depersonalized due to the NDA signed.



The Customer

The multinational lubricants company is based in the UAE and is a part of a global conglomerate. The company produces a comprehensive range of automotive and industrial lubricants.

In addition to supplying to B2B customers in the industrial, mining, infrastructure and fleet sectors, the company also distributes its products in the Middle-East, Levant, CIS regions, across 20 countries including Afghanistan and Pakistan, through a network of distributors.

The company also supplies to other entities within the global conglomerate around the world.

The company operates two state-of-the-art lubricant blending plants in UAE, with a combined blending capacity of nearly 150,000 tons per annum. One of the plants also has a grease blending facility.

COMPANY OVERVIEW



501 – 1000
employees



3 legal
entities

LUBRICANT PRODUCT CATEGORIES



Automotive



Industrial



Marine

The Industry

The Middle-East lubricants market is fragmented, with almost all global companies present in the region.

Economic growth in Iran, Saudi Arabia, UAE and Iraq accounts for nearly 70% of the consumption, with the rest of the Middle-East accounting for 30%.

While the Middle-East lubricants market is relatively young in comparison with other global industry markets, it is experiencing significant, ongoing growth. In fact, this market alone is expected to grow by 2% between 2019 and 2024, and by 6.5% between 2019 and 2026.



The Problems and Challenges

The company and the market for lubricants has been steadily growing in the last several years despite the volatile oil prices owing to the increase in automotive sales and industrial growth in a few countries.

The legacy software application had limited functionality and several critical business processes were managed on spreadsheets, resulting in:

- 1) Inability to manage operations of multiple organizations on a single ERP application
- 2) Inability to obtain consolidated financial reporting
- 3) Inability to manage multiple-currency transactions
- 4) Inability to accurately capture product costs, both, of products procured and produced
- 5) Onerous manual processes to monitor and control costs
- 6) Inability to comprehensively plan procurement and production based on forecasts
- 7) Inability to effectively manage product bills of materials, resulting in variations in inventory, erroneous inventory valuation and onerous stock reconciliation
- 8) Inability to manage taxation and regulatory compliance

The Requirements

VIENNA Advantage was tasked with comprehensive implementation of the following modules across all three business entities:

- ✓ Group Finance and Financial Management
- ✓ Product and Bill of Material Management
- ✓ Sales Order Management
- ✓ Procurement Management
- ✓ Inventory Management
- ✓ Material Requirement Planning (MRP)
- ✓ Production Management
- ✓ Quality Management
- ✓ Product Costing



The Solution

VIENNA Advantage ERP/CRM

One enterprise-level software solution across the group of companies.

The Professional Edition of VIENNA Advantage ERP/CRM with its standard functional modules and features made up for nearly 70% of the requirements.

Enhancements that made up for the remaining part were standardized, and an industry-specific template implemented.

The group of companies now operates on a single enterprise-level software solution across all companies, with robust role-based access control within and across organizations, management of intercompany transactions, and regulatory compliance.

The Solution

Group Finance

Benefits from the implementation of VIENNA Advantage Group Finance and Financial Management module:

- ✓ Rationalization of chart of accounts across all organizations
- ✓ Rationalization of financial reporting groups
- ✓ Ability to define multiple reporting hierarchies within and across organizations
- ✓ Ability to generate consolidated and user-defined financial reports
- ✓ Implementation of Weighted Average Product Costing
- ✓ IFRS Compliance
- ✓ Taxation setup (VAT) and implementation of Reverse Tax Mechanism for Import Tax

Product Management and Costing

Benefits from the implementation of VIENNA Advantage Product Management and Costing module:

- ✓ Rationalization of product master data, including Bill of Materials, Product Attributes and Batch definitions
- ✓ Rationalization of Product Categories, including raw material, base products, assets, consumables, and additives
- ✓ Automatic calculation of product costs, based on multiple product costing methods
- ✓ Assignment of costing methods at product, product category, batch, warehouse, organization, and tenant levels.

The Solution

Procurement and Inventory Management

Benefits from the implementation of VIENNA Advantage Procurement and Inventory Management modules:

- ✓ Centralized procurement across all business entities
- ✓ Comprehensive RFQ process, including sending out RFQs to approved vendors, vendor portal access to vendors for submission of RFQ responses, automatic ranking of responses, selection of winner and generation of purchase order
- ✓ System generated landed cost calculation and material cost recording
- ✓ Management of multiple warehouses and locators across multiple organizations

- ✓ Replenishment Management across all group warehouses
- ✓ Implementation of multiple material policies such as FIFO and Batch Management
- ✓ Improved stock reconciliation, management of slope oil, wastage, scrap, and inventory difference
- ✓ Automatic generation of Purchase Orders based on Sales Order and Production Forecasts using the material requirement planning process

Sales Order Management

Benefits from the implementation of VIENNA Advantage Sales Order Management module:

- ✓ 360° view of customer information
- ✓ Dealer / Customer-specific pricing and discount management
- ✓ Order to Payment process with approval workflow

The Solution

Material Requirement Planning and Manufacturing Management

Benefits from the implementation of VIENNA Advantage MRP and Manufacturing Management modules:

- ✓ Comprehensive Batch Manufacturing module for manage blending operations using a kettle-wise blending plan, decanting, refilling and flushing processes
- ✓ Ability to define percentage-based bill of materials, and produce multiple formulations comprising base oils and additives to cater to high, low and mid values
- ✓ Cross-checking formulations based on density calculations to ensure accurate raw material issue for blending operations, resulting in drastic reduction in deviations

- ✓ Management of filling/packaging production
- ✓ Accurate calculation of manufactured product costs
- ✓ Re-use strategy of slope oil for production
- ✓ Sales Order based material requirement planning process and automatic generation of production work orders

Production and Quality Management

Benefits from the implementation of VIENNA Advantage Production and Quality Management module:

- ✓ Generation of serialized, batch-wise Quality Assurance Certificates for finished products based on the actual recording of test results.
- ✓ Ability to define product-wise quality criteria, quality parameters, sampling rules, and tests.
- ✓ Recording of test or inspection results and approval
- ✓ Management of rejections and re-blending process

Corporate Contacts

Germany

A Bohlenskamp 21,
26340 Zetel, Germany

P +49-621-307-80370

[CONTACT US ↗](#)

Canada

A 480 University Avenue, Suite 1500,
Toronto, ON, M5G 1V2

P +1 416 598-7108

[CONTACT US ↗](#)

India

A #493 Phase-9, Industrial Area,
Mohali, PB 160062

P +91-172-5090-860

[CONTACT US ↗](#)