

Case Study

Kuwait-Based Cement Giant Implemented Cloud Transformation Across All Its Subsidiaries



Revenue
\$48 Million



Industry
Cement Manufacturing



Deployment Location
Kuwait



Legacy Platforms
Excel Spreadsheets, Vurmak, SAP Financials



Products Implemented
Oracle Cloud ERP



Introduction

One of the most significant players in the cement industry, with major cement import terminals in the Middle East, was managing its operations across its three subsidiaries through legacy business management applications. The client's current IT systems presented an increasingly complex corporate management landscape across governance and compliance.

The company wanted to undergo a Cloud transformation process to keep in line with the organizational policies of the parent group as a part of its ownership transfer. It also faced issues related to consolidating information, mainly since its parent group has been using the Oracle suite of products for a while. Subsidiaries operate in the shadow of their parent company, so corporate management must try to satisfy both the demands of the parent organization's primary mission and the goals of the individual subsidiary.

Striking this balance is often more complicated than it sounds. The inconsistency with the IT platforms across these subsidiaries made it challenging to have a single source of truth and made decision-making more complicated.

The subsidiaries' business is spread across facilities in Kuwait over an area of nearly 900,000 m³, making the company a leading ready-mix concrete (RMC) producer worldwide. It needed to balance using a niche, standalone business management platform and get complete visibility across all its manufacturing facilities. The company's core team that managed all the subsidiaries was also struggling to perform manual functions to load information into the niche software.

The customer needed a system that could be a single source of truth for all teams across its operations. It reached out to Datavail to discuss operational Cloud transformation strategies that can help it comply with its organizational policies and get the whole group of companies on one single platform for managing its line of business operations.

Challenges

The customer and its subsidiaries had been using an industry niche concrete management software, Vurmak, a legacy application for catering to end-use specific orders for cement and ready-mix concrete. Concrete is a foundational building material, which means it must exceed quality and strength expectations through rigorous testing. The software offered the recipe for the product to increase quality and consistency and facilitated users with visibility of inventory, warehouse management, management reporting, etc. It helped concrete producers to remove error-prone manual processes and deliver products on time and specification. Along with the niche product, the company also implemented SAP financials to manage financial business operations such as budget planning, reporting, analytics, etc.

However, no integrations existed between the two systems or third-party integration that could process the data from either of the applications. Most of the data existed in spreadsheets, which were tedious for the finance team to use for various budget planning activities.

Software that the customer was previously using

- **Vurmak** – The application helped with niche cement recipe-related business operations, such as creating the formula of ready-mix concrete for specific end uses, and other business operations, such as inventory management, order management, procurement, etc.
- **SAP Financials** – Was in use to manage the financial operations of the business

Key challenges to be addressed were

- Manual labor entries and data management in spreadsheets
- Lack of visibility and control over financials of group companies
- Struggling to limit budget process cycle time and costs
- Legacy software requires manual editing of financial and budgeting information
- Lack of integration with advanced, third-party systems with SAP Financials to support production operations
- Issues with the management of sub-ledgers every month
- Problems with managing sales order processing, financial reporting, and various other company assets

Solutions

The client onboarded Datavail as its Oracle Cloud Implementer partner to consolidate all its business management processes, which were previously performed manually across several applications. And fixing the disconnection between their central applications and the industry-specific concrete application in use on a single Oracle ERP Cloud Platform.

Datavail planned to replace the SAP financials platform from all their systems with Oracle ERP Cloud as a part of the business' transition from legacy systems to Cloud transformation. With the help of the Oracle suite of products, all their teams could manage business financials, supply chain operations, accounts, general ledger, and human resource operations using a single platform.

The customer and its subsidiaries are still in the middle of their Cloud journeys as they still have the niche legacy software, Vurmak, in use.



Outcomes

Datavail accomplished the Oracle Cloud implementation project's first phase in 25 weeks.

Shifting to the Oracle Cloud platform eliminated all possible use of spreadsheets across the board. It enabled them to control their financial planning and reporting operations more efficiently, ultimately improving business leaders' decision-making.

The project not only enabled users to clean data faster from the historical systems in place, but it also provided easy access to all the vital business-related documents and files which were centrally located and accessible.

By avoiding redundancy in the process, the team ensured that the same data was visible and available to other team members from across subsidiaries and the parent group, facilitating better decision-making with consistent reporting.

Key achievements

- Integration between the Oracle Cloud ERP and the industry niche concrete application – Vurmak
- Faster implementation of the Oracle product suite into the company's previous network of legacy system applications
- Quicker data cleansing from historical systems without depriving users of access to vital business financials and other important data
- Simplification in the process of reusing integration files which further saved time for the users
- Improvement in accuracy and reporting of financial information across subsidiaries as well as a parent group company
- Reduction in labor cost by nearly 50%
- Enhanced accuracy in business operations and forecasts

The subsequent phase of the engagement opens various opportunities to facilitate smoother automation between the systems. If you find your company in a similar stage of technology transition, don't hesitate to [contact us](#) to let us know how our team can help you plan a smooth [Cloud transformation strategy](#). Our Cloud experts work together to assess and analyze a currently deployed network of applications while building a transformational roadmap keeping in mind the best suitability for your industry and your business requirements.



Datavail is a company of over 1,000 professionals helping clients build and manage applications and data via a world-class tech-enabled delivery platform and software solutions across all leading technologies.