



CASE STUDY : JAI BALAJI GROUP

SOLUTION AREA : PROCUREMENT & STOCK MANAGEMENT SYSTEM

Client: Jai Balaji Group	Country: India
Industry: Manufacturing	Status: Implementation
Solution Area: J2EE Application	

Customer Background

Jai Balaji Group is a well known Steel manufacturing group in the secondary sector in Eastern India. The group has a chain of value added products, which includes Sponge Iron, Pig Iron, Reinforcement Steel TMT Bars, Alloy and Mild Steel Ingots, Wire Rods and Carbon, Alloy and Mild Steel Heavy Rounds. Its manufacturing facilities are spread in Mangalpur, Durgapur, Ranigunj, and Liluah in West Bengal and Rourkela in Orissa.

JBS proposed to develop a web based purchase and stock management system wherein they can manage the purchasing process and manage inventories of different department across various locations

This document enumerates all the required features and activities of the proposed solution that could address the above areas through single interface.

The Opportunity

Jai Balaji Group proposed to develop a web based purchase and stock management system where in they can automate and maintain the procurement process and also manage inventories of different items at different warehouses across various divisions in different locations. The solution would be hosted and run from Java enabled 3rd Party remote hosting service provider and would be accessed from the company's head office in Kolkata and also from different divisional offices / factories situated across different geographic locations through available internet connection via web browser such as internet explorer.

The procuring process would initiate from generation of indents from different departments followed by purchase enquiry, quotation entry and purchase order to goods receipt note. There would also be a provision of handling goods return during the time of material delivery in the warehouses wherever the case may be. The procurement process ends at preparation of debit note with and there would not have any effect on accounting entries through the system. The system would have provision of generating relevant reports as per various transactions that would be processed in various cases. The number of reports, business logics, its input and output format would be confined to the numbers and specifications stated in the reports section later in this document.

Apart from the procuring process, the users of the system would also be able to check stock levels at various warehouses at division level in various locations. The stock level would be stored as per different warehouses in various divisions.

The proposed software would primarily address the areas like category wise stock position, stock inflow outflow and stock purchase process.

Purchase Process

The entire flow of purchasing activities would be addressed starting from raising indent to materials receipt in the warehouse. The system contains approval facility for the documents that are being prepared and it also able to track status / position of documents throughout the purchase process life cycle.

Activities that comprise the procurement process

Indent Generation

Various departments in concern raise indent for requirement of stock. Stores department would check the stock availability and process Enquiry / RFQ whenever it is required. The proposed system has the facility to create / modify indent for different items for different categories.

Raise Enquiry / RFQ

There is a facility to create enquiry for different group of items. This enquiry is linked with the indents that have been raised for selected group of items.

Prepare Quotation

The system has the facility to prepare purchase quotation against generated enquiry. The system is able to link the quotation with the enquiry that has been prepared.

Issue Purchase Order

The proposed system has the facility to prepare purchase order against the quotation that has been prepared. At any point of time the system is able to trace position of the purchase orders in terms of materials delivery. Output format of purchase order is specified by the customer.

Goods Receipt Note

While delivery of the materials from the supplier, the system is able to prepare goods receipt note against a prepared purchase order. The system is able to trace backward documents against a particular GRN.

Stock Maintenance

The proposed system also has the facility to maintain and track category wise and item wise stock. At any point of time user is able to track stock positions while preparation of any documents. The stock position will automatically updated during materials receipt i.e. immediately after preparation of goods receipt note.

Document Approval

Every document such as Indent or Purchase Order has to undergo approval stages by concerned authorities. Once approved only then it can considered as complete and can be processed for further transaction.

Approval can be given on individual items of selected documents. Approver can also revise Quantity prior to approval.

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The system is able to generate reports any time and on any related aspects. Since the proposed system will run and be maintained centrally, reports will reflect real time information for all locations.

Key Challenges:

The challenges faced during system study and development is to bring the processes into universal methodology of operation in terms of document generation. The existing practices were manual. In several cases the key documentations were bypassed (e.g. order over phone or verbal communication between the suppliers and the company). Rules and policies were incorporated in order to overcome this problem. This led to capturing the transactional information in the system. The process got streamlined from the start to the end irrespective of the importance of the transactions.

Technology Specification:

Key Components:	
Application:	Procurement & Stock Management System
Solution Components:	<ul style="list-style-type: none">• IBM e-Server• J2EE / STRUTS / Hibernate• JavaScript / AJAX• RAD as IDE• Tomcat 5.5 as App Server• MS SQL Server 2000 as DB Server