

Improvement in Master Data Management for a Country Shared Services (CSS)

BUSINESS CASE

Organization Trends

- The organization has plants across all countries of the Middle East and Northern Africa
- All countries are served by their independent Country Shared Service (CSS) that caters to 7 Product Lines (PLs) including Cement, Ready-mix, Bags, Alternate fuels and Aggregates

CHALLENGE

What is the challenge

- Due to irrational data categories and inefficient data collection methods, the leadership of the product lines could not
 - take effective decisions to make their P&Ls competitive
 - effectively, benchmark themselves across other countries due to irregular data structures

Where is the challenge

- In the largest revenue generating company in Middle East

When was the challenge identified

- In FY 2014

IMPACT

What is the impact

- All CSS Employees worked an average overtime of 5.2 hours every month to update cement pricing on time to prevent potential loss of revenue and avoid poor customer perception
- Dissatisfaction from internal and external stakeholders due to:
 - High average DSO (Days Sales Outstanding) of 112 days
 - On-time payments to suppliers at 38%

TARGET

What is the Target

- Simplification & Standardization
 - Standardize forms for creation and modification of customer and supplier data including standardization of categories such as taxes
 - Standardize steps towards creation of new and modification of existing accounting segments to create an effective Chart of Accounts
 - Rationalize process steps to decrease cycle time. For example, decrease Number of approvals in contract process from 11 to 6 for specific categories
- Automation
 - Example: Creation of an automated form to automatically update prices of cement after specified date and time

OUTCOMES

Improved Cash flows

- Decrease in average DSO by 16% from 112 days to 94 days
- Improvement in on-time payment to suppliers from 38% to 69%

Operational Outcomes

- Decrease in cycle time for registration of
 - Customers by 39%
 - Suppliers by 52%
- Decrease in average overtime from 5.2 hours to 0 hours
- Automated sheets to capture data on:
 - Registration time of supplier and customers
 - Highlight deviations from the accepted SLAs

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