



Customer: Osho Chemical Industries
Website: <http://www.oshochem.com/>
Country or Region: Kenya
Industry: Manufacturing and Distribution
Partner: Akiliafrica

Customer Profile

In 15 years Osho Chemicals has grown into one of the largest agro-chemical manufacturers and distributors in Kenya. The company focuses on three core areas of business, agro-chemicals, veterinary medicine, industrial chemicals and public health, including products to control mosquitoes which spread malaria in the region.

Software and Services

- Microsoft Dynamics
 - Microsoft Dynamics NAV 2009

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Kenyan Agro-Chemicals Business Sharpens Focus, Clarifies Operations and Hones Efficiency with ERP Insight

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Nisheel Shah, Chief Financial Officer, Osho Chemical Industries

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Impressive growth has been led by a philosophy of delivering the highest quality products and peerless customer service to small farmers, initially in Kenya, but now expanding into countries such as Uganda, Tanzania and Malawi. It's an approach that's working, with the company employing 250 people and generating revenue of 1.3 billion Kenyan Shillings (more than 10 million) in 2010.

Smallholder farmers are critical to the success of the region, and Osho Chemicals works with organisations such the World Economic Forum's Business Alliance Against Chronic Hunger, participates in the Farm Inputs Programme to prevent disease in poultry and runs its own field days and radio broadcasts to share knowledge and best practice.

To help its customers build the capacity that will ensure efficient food production in this part of Africa, Osho Chemicals selected Microsoft Dynamics NAV enterprise resource planning (ERP) technology to transform the way the company uses data to drive business.

Business Needs

By 2007, Osho Chemicals' success was generating challenges with the potential to hinder growth. The time taken from receipt of an order to delivery was increasing and could take up to three weeks - a problem since farmers often needed the products immediately. In some cases, deliveries weren't being made at all, despite the fact that records showed that they had been dispatched. Up to 500 credit notes a month were being issued to distributors who hadn't received what they were billed for.

It became clear that information wasn't collected or shared across the company effectively. Legacy systems in Production, Sales and Marketing, Procurement, Payroll and Warehousing departments had grown piecemeal as the company expanded, resulting in disjointed and incompatible information systems. Ultimately, it left Osho Chemicals with out-of-date, inaccurate and often contradictory information that, rather than driving the business, was actually holding it back.

As well as hitting Osho Chemicals' bottom line, this situation was obviously having a negative impact on customer confidence, and the company immediately set to work to solve the problem.

Solution

Osho Chemicals looked at a range of ERP software products as part of a competitive tender, including technology solutions from Microsoft, Oracle and SAP, as well as exploring a bespoke in-house option.

"Our criteria were demanding; effective, competitive and easy to use, with comprehensive local support and the scalability to cope with a rapidly growing company," said Nisheel Shah, Osho Chemicals' Chief Financial Officer. "Microsoft offered the perfect fit, fulfilling all of the demands on our wish list. Microsoft Dynamics NAV has lived up to its initial promise, transforming the way that we do business."

Driven by Kenyan Microsoft Gold Certified Partner, Akiliafrica, Microsoft Dynamics NAV demonstrated that it delivered to Osho Chemicals' needs, collecting, integrating and simplifying all of their business information. It allows this information to be used effectively, improving productivity, and with a range of analytical and reporting tools, helps better decision making.

Benefits

Right from the start of the production process, greater insight means the company understands exactly what is being used in the manufacture of their products - and this information is now available instantaneously, rather than collated once a month. It allows a far more accurate and flexible pricing structure, which has improved margins by 5 per cent.

The precise picture of inventory now provided for Warehousing and Purchasing departments has resulted in the virtual elimination of purchase order mistakes and, consequently, no costly over or under stocking. Knowing what is in stock and where it is at every moment of the day has also cut unexplained product loss, due to theft for example, to zero.

In sales, customers benefit from greatly reduced waiting times; order to dispatch has fallen from three weeks to just under three days and the number of credit notes issued has fallen from 500 to only 10 a month. Better management in credit control has seen average customer payment times drop from 150 days to an industry standard 90 days, improving cash flow and aiding better financial planning.

With information immediately to hand, Microsoft Dynamics NAV is allowing Osho Chemicals to identify and maintain best practices, ensuring consistently high quality products produced in the most efficient way. It makes the company more agile - able to make better decisions faster. With ongoing local support from Microsoft

and Akiliafrica, this is a continual process of refinement.

"Local support is very important to us and Akiliafrica and Microsoft check in with us frequently, giving support and advice on how to get the best out of the system, which brings us complete peace of mind," said Stanislaus Banda, Osho Chemicals' Head of ICT. "One department that's not needed to call for support, however, is ICT. The solution is easy to use and can be customised in-house very easily to suit local operations, freeing up time for the ICT department to focus on what matters more."

Initial misgivings amongst staff about using the new solution were rapidly overcome. Microsoft Dynamics' familiar, intuitive and easy-to-use interface and Akiliafrica's tailoring of the solution to Osho Chemicals' precise needs meant that training demands were minimal. "With real time access to data, it empowers everyone to work smarter," said Nisheel Shah. "It has saved staff the 10 days a month it used to take to gather and report on relevant information, which means they get to go home earlier and no longer have to work on weekends."

The Microsoft ERP solution is easily adapting to keep pace with this fast moving company. Osho Chemicals has doubled in size since first adopting Microsoft Dynamics NAV; working with Akiliafrica, it has already upgraded from NAV 5.0 SP1 to the 2009 version and is now looking to upgrade further to NAV 2009 R2.

"Microsoft Dynamics NAV has transformed our business in ways that we couldn't have imagined back in 2007," said Nisheel Shah. "We are now looking to deploy Microsoft Dynamics CRM 2011; it's been a hugely rewarding journey with Microsoft so far and we're excited about where this partnership will take Osho Chemicals in the future."