

CASE STUDY SERIES

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Madras Cements Ltd.: Achieving Operational Efficiency through IT

Mr. Dharmakrishnan was quite pleased with how the day was progressing. It was the end of the quarter and as the Senior Vice President - Finance for Madras Cements Ltd. (MCL) it was his responsibility to close the books. A task that used to take days just getting all relevant data from the different manufacturing plants that MCL operates across southern India, now gets completed in real-time. All this was a direct benefit of the successful ERP implementation effort that was championed by him and recently had been completed.

BACKGROUND

Madras Cements was started as a spinning mill in 1938 by Mr. Ramaswamy Rajha in Rajapalayam in the southern state of Tamil Nadu. The company got its start in the cement business with its first manufacturing plant with 200TPD capacity in 1962. Today, the company has expanded to include four manufacturing facilities with a combined capacity of six million tons. In addition to cement manufacturing, the company also operates two wind power stations with combined capacity of 33 MW. These captive power stations allow the company to operate without being subjected to the fluctuation in multiple lines of businesses, such as textiles, cement fiber, software, surgical equipment, and biotech. However, the cement manufacturing operated under the Madras Cements Ltd. banner remains the flagship company under the Ramco Group of Companies. The “Ramco” brand enjoys a strong recognition in southern India and is usually associated with quality. **Exhibit 1** illustrates the group companies in more detail. The company manufactures cement at four locations in the southern part of the country. **Exhibit 2** lists the manufacturing facilities.

Research Associate Rajeev Ved prepared this case under the supervision of Professor Mayuram S. Krishnan as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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